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IRAN:
Complete Second Five-Year Plan Ratified

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Majles Retifies Second Five-Year Plan

94LA0009A Tehran KEYHAN-E HAVA'I in Persian
17 Aug 94 pp 24-25

[A. 17 Aug 94 pp 24-25]

[FBIS Translated Text] Session of Tuesday morning 17 Mordad—18 August: At the open Majles session, chaired by Hojjat ol-Eslam val-Moslemin Nateq-Nuri, the complete form of the Second Five-Year Economic, Social, and Cultural Development Plan of the Islamic Republic of Iran was approved.

At the beginning of the session, Mahmud Astaneh, deputy from Sarband-e Arak, in a guidelines memo, asked the Majles to pay as much attention as possible to the Second Five-Year Development Plan. He said: This bill is not an ordinary bill, it is a kind of comprehensive budget, and it also takes up the issues of revenues and expenditures. He called for the allocation of more time by the Majles for the study of this bill. This was not agreed to.

Talk By Mohammad Baqer Nowbakht-Haqiqi (Combined Commission Correspondent)

Then Mohammad Baqer Nowbakht-Haqiqi, a member of the Majles Combined Commission, discussed the procedure for studying the Second Five-Year Development Plan Bill and also made some remarks concerning the Combined Commission's characteristics.

He said: This commission featured the leader's special attention to setting the policies prevailing over the plan, the cooperation of officials in executive organizations, utilization of the experiences of the performance of the First Five-Year Plan, and cooperation from the media.

He added: The Combined Commission designated 16 areas as quality targets and 221 policies for reaching those 16 targets. For the implementation of policies it established 127 procedures as general and overall policies. He mentioned the effort to achieve social justice as one of the goals of the Second Five-Year Plan. He said: To implement this goal 14 policies have been designated, and we hope the executive officials will be able to achieve social justice in practice.

He added: Another goal is concern for the situation of youth and adolescents in guiding them towards Islamic and Iranian culture, and this commission also approved focusing on agriculture for development.

The correspondent from the Combined Commission added: The development of non-oil exports; the reduction of the share of oil in the nation's general revenues; the formation of foreign policy based on the principles of glory, wisdom, and interest with an administrative, executive, and judicial structure for making them practical; the designation of monetary and financial policies, a labor market and setting prices are among the areas that have been given attention. He discussed the fact that 30 notes were approved in the commission's first consultation. He said: Another point is the issue of centralization. With the legislation and approval of a provincial budget in each province throughout the Second Five-Year Plan, we have authorized and made it possible for provincial officials to be effective in executive affairs, and we have authorized that the revenues in each province be spent in that province.

He added: In view of the need to achieve social justice, the continuation of subsidy payments was approved to procure basic goods, drugs, and dried milk, to be based on the existing credits for the payments for the year 1372 [21 March 1993-20 March 1994]. He said: We also believe with regard to oil products that prices are lower than international market prices and that the products are costly. But in view of this we gave the government permission to increase oil product prices just one time, of course on the condition that it would be able to compensate for the resultant effects and consequences in economic affairs.

In conclusion he said: According to a measure enacted by the Combined Commission, at the end of the Second Five-Year Plan, commitments and debts should be 30-percent less at the end of the Five-Year Plan than they were at the beginning.

Mahmud Astaneh's Speech (Opponent)

Mahmud Astaneh, deputy from Sarband and Shazand-e Arak, spoke as the first opponent to the general form of the Second Five-Year Plan Bill. He said: My most important reason for opposing the Second Five-Year Development Plan Bill is its movement in the direction of a capitalist system and a free economy. I declare plainly to the bill's main planners, especially the Plan and Budget Organization's Office of Economics and Coordination, which had the main role in preparing the bill: The people are opposed to the rule of money and the wrong values of capitalism.

Respected speaker of the Majles, and esteemed colleagues! Have the nation's economic officials really given a picture of the public's economic situation at the end of the plan? What is the final level of the price of goods? What effect will the mass of infrastructure investments that will go into operation have on decreasing prices?

Reasons for opposition:

1. The absence of Article 1 in the report submitted by the commission. It is not at all clear for the respected deputies what numbers and figures they are making decisions about. The first thing the bill should say is what the revenues and costs will be over the course of the Five-Year Plan, and this is at least something that should be in the bill's general form.
2. Most of the notes have only general goals and do not present any numbers or figures. Most important of all, there is no clear mechanism presented to compensate for their short-term consequences.

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For example, we will discuss the problems in a number of the notes:

Note 4. This note is really a consolidation of notes 4 and 30 of the government's bill, despite the fact that the respected Combined Commission adjusted some of it, but it is quite dangerous to approve it in this form.

The note's goal is to eliminate energy and fuel subsidies, and ultimately to make huge increases by the end of the Five-Year Plan in the prices of water, electrical power, and the four main oil products—furnace oil, gasoil, kerosene, and gasoline. Based on the price recommended by the government, the price of oil products will gradually increase by certain amounts each year, so that by the end of the Five-Year Plan:

In the first proposal the price of furnace oil will be 50 rials [R], gasoil will be R80, kerosene will be R85, and gasoline will be R371. In the second proposal the price of furnace oil will be R70, gasoil will be R120, kerosene will be R120, and gasoline will be R255.

In its report the Combined Commission said that in the Second Five-Year Plan the price of oil products will increase once. It is not clear how much this increase will be, and nothing has been said about how many resources this policy will create or how the revenues it creates will be spent.

My esteemed colleagues know that energy and fuel are important and fundamental elements of the economy, because transportation is connected to fuel and energy, and everything is connected to transportation. Now, when the burden of inflation and high prices is putting increasing pressure on the weak and low-income classes of society, there has not yet been an increase in the prices for energy and fuel. It is not clear what will happen if this increase is implemented. No mechanism has been presented for implementing it and compensating for it.

Another point is that in Paragraph B, Note 30 of the government's bill the only thing presented is a slogan without backing, without a plan and without numbers or figures, to silence the critics of Paragraph A. First of all, it is not clear what it means. Second, there is no guarantee that it will be implemented, and it also did not eliminate ration coupons for chickens and eggs.

A more important point is the fact that in Paragraph A, Note 30 of the bill it says that the resources obtained will be spent on special development projects. This is not a proper policy, because it will have excessive inflationary effects. Moreover, if this work is to be logical and based on the reasoning that we want to make the prices for fuel and energy realistic for structural and logical price reform, the difference in the funds collected should be spent with specific priority on society's low-income classes.

Note 8. This note is the consolidation of Notes 10 and 11 from the government's bill, and deals with the nation's foreign exchange issues, but it is interesting that in Paragraph A we do not know what amounts of payments and new foreign exchange commitments we are to decide upon. The reason is that the places for the figures are left blank.

In Paragraph B the door is opened again to borrowing from abroad. Although in the original government bill (Paragraph B, Note 11) mention is made of $4.9 billion that has been borrowed, in the Combined Commission's Note 8 there is no limit on reciprocal sales transactions. The experience of the First Five-Year Plan has shown that most of the reciprocal sales have effectively been converted to borrowing.

A significant point in this note is that, in the government's view, only 15 percent of the nation's debt must be reduced during the plan, and in the Combined Commission's view, 25 percent of the nation's debt must be reduced. In the final year of the Second Five-Year Plan, in the best case, we will still have $25 billion in foreign debts, and unfortunately the country will still be in debt. In view of the combined interest the government and the country will have to pay because of these debts being prolonged, the country will face consequences that will be quite difficult. It is not at all in the nation's interest to create new debt and commitments.

Note 11 is a consolidation of Notes 26, 27, 28, and 29 of the government's bill. The general prerogatives given based on this note to the Human Development Resource Council pursue the same goals that the bill's designers were pursuing in the notes listed above, meaning: facilitating the privatization of universities and higher education; transferring treatment centers and hospitals; transferring schools, with priority to newly established schools; transferring scientific and artistic centers, and other things.

While the advanced nations still pay enormous subsidies for education and training in their countries, what does this mean for us, as a developing nation where the most fundamental issue is education and research? Will this have any result other than making education a matter of class and keeping low-income individuals out of the educational system? Will those who come out of the private educational system be committed to the Islamic revolution? Will these people be this nation's future managers and agents?

Notes 12 and 13: These two notes, absolutely and without the slightest qualification or mechanism, have opened the door to selling public and treasury assets. The real meaning of Note 13 is the elimination of the Law on Procedures for Selling Government Shares to Those Who Have Sacrificed, Combatants, Basijis and Workers, which received final approval last week from the respected Majles.

Hasan Qashqavi (Supporter)

Hasan Qashqavi, deputy from Shahriar, the first supporter of the Second Five-Year Plan Bill, discussed the

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plan's characteristics. He said: The issue now is the making of policy. Whether with regard to overall and qualitative goals or general positions and their relevant notes, this is a series of orders and general principles that require the making of policy. In the First Five-Year Plan, the focus was on the policy of economic adjustment. In the Second Five-Year Plan the issue is economic stabilization, and all mechanisms must be used for that purpose. Along with the concern for price fluctuations, the social and economic burden on the shoulders of the very vulnerable classes must be reduced.

Experience has shown that as long as there is no competition it will be impossible to improve quality, and government monopolies have not been successful. It has been stipulated in general and qualitative goals that the allocation of provincial budgets must be such that decentralization will be achieved and the provinces will be activated.

With regard to subsidies, he said: We are halfway down the road on the subsidies issue, and we cannot withdraw. As much as possible we must seek to reduce the pressure on the vulnerable classes, rather than ignore it.

With regard to figures and statistics, it must also be said that right now no statistics or figures are being discussed at all. Policy must be discussed now, and the rest of the details will be discussed in the second consultation.

Hoseyn Rashidi (Opponent)

The next opponent was Hoseyn Rashidi, deputy from Marvdasht. He expressed regret about the procedure for studying the Second Five-Year Plan Bill as an ordinary bill—from the standpoint of time. He said: If attention is given to some of the issues that were approved by the Combined Commission, the conclusion will be reached that we have tied our hands for budget reforms in the coming years. Of course we must thank God that the First Five-Year Plan was generally relatively successful, but it was implemented weakly in some areas. Have we achieved the result expected in the First Five-Year Plan? How successful have we been on foreign debt, eliminating duplicative organizations, controlling prices, collecting taxes, eliminating exemptions, implementing the policies of economic adjustment and unpaid wages?

Today the deputies must make decisions in such a way that we can already see the bright and strong points at the end of the Second Five-Year Plan, and so that with these decisions we will have a better situation than the one we had at the end of the First Five-Year Plan. If the exalted leader's guidance is heeded, then definitely something will be achieved that will please God and the nation.

He said: In the Second Five-Year Plan the agricultural sector must have priority. Nothing has been said about education and training, whose credits are already small. If attention is not given to education and training in our young country, which will have 20 million students by the end of the Five-Year Plan, it will face problems.

He added: In Note 8 (Row G), while attention has been given to foreign transactions above $1 million, exceptions have also been made, and the exceptions above $1 million have also been deregulated. Likewise in Note 13 (Paragraph J [as published]) concerning the transfer of the shares of companies and factories to the private sector and the people, the Combined Commission has acted directly opposite to what was approved on 5/12/1373 [3 August 1994]. I ask my colleagues to withhold their votes.

Ghaffar Esma'ili (Supporter)

The second supporter of the Second Five-Year Plan Bill was Ghaffar Esma'ili, deputy from Hashtrud. He said: One of the valuable points of emphasis for studying the Second Five-Year Plan is making use of the experiences of the First Five-Year Plan. Proportionate to the increase in revenues, the Combined Commission must allocate an additional five percent beyond the designated 25 percent for the repayment of foreign debts.

In answer to Rashidi, who spoke in opposition and discussed the recent Majles vote to transfer shares to those who have sacrificed, he said: the commission's intention is to continue this measure. For example, one part of the general goals section pays special attention to the elimination of private sector investment and giving priority to those who have sacrificed—the families of martyrs, former prisoners of war, and basijis—in the use of banking and national and natural wealth.

Mohammad Reza Khabaz (Opponent)

Mohammad Reza Khabaz, deputy from Kashmar, also spoke in opposition to the Second Five-Year Plan. He said: One of the most basic defects in the management of the nation's affairs is the lack of supervision of government organizations. It was expected that this would be dealt with more seriously in the Second Five-Year Plan, but unfortunately, this has found its place in the proposed bill under the heading "Continuous Supervision, Evaluation and Monitoring To Achieve Proper Implementation of the Plan and To Study the Results." It must be asked, with what budget and resources? Isn't the Accounting Court the eyes and ears of the Majles for supervision? In the Five-Year Plan, attention has not been given to strengthening this supervisory organization, and with this inadequate support we will not be able to carry out our responsibility to supervise government organizations. The result is that so far more than 600 companies have not submitted their budgets for audit.

He said: In the pricing sector it has been said that rates should be progressively revised so that high-consumption consumers will pay more and the low-income classes will be supported with a lower rate. In your view, who are the low-income classes? Is attention to be given only to the lowest ten percent of society?

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Ordinary people are already suffering from the costs of services, to say nothing of what will happen when rates increase.

He added: Note 4, Paragraph B says: To conserve on the consumption of oil products and to achieve social justice, the prices of oil products are to increase once, and the attendant effects will be compensated as required. We know that increasing the rates on oil products is not something that can be done so easily and that all the consequences must be considered, because this has a direct effect on the increase of inflation, and will put pressure on society's low-income classes.

During the Five-Year Plan when there is talk of the low-income classes, what is meant is those people who are covered by the Imam's Aid Committee, the Welfare Organization, and other service organizations, yet the low-income classes are not limited to these people. In this country there are more than 3 million workers who cannot manage their lives on their low or fixed incomes. So how have they figured that the elimination of subsidies is in the interest of the people? Has the purchasing power of the people increased or not?

Nafiseh Fayaz-Bakhsh (Opponent)

Nafiseh Fayaz-Bakhsh, deputy from Tehran, also spoke in opposition to the Second Five-Year Development Plan. She said: The reality is that although we have designed the short-term Five-Year Plan with the goal of economic and social development, unfortunately we have not submitted a long-term plan with specific goals for human resource development. In addition, this short-term plan lacks the most important characteristics of a careful plan that includes coordination among the sectors.

She said: Have we thought of what to do 10 to 12 years in the future when our oil revenues will be zero? In view of the population growth in the near future, what will we do with a population of 100 million? What investment will we use to replace oil when our wells are empty? Some may say optimistically that it will be agriculture and industry, but if we do not invest sufficiently to develop human resources and to increase the knowledge and morality of our children in the country, we will never see growth and development, even if the country is filled with assembly industries and mechanized agriculture. Therefore the Second Five-Year Plan is short-term, superficial and, most important of all, sector-oriented.

The planners, each of whom is responsible for one of the nation's sectors, have set targets based on the perspective of their sectors, which are sometimes not at all coordinated with the other sectors. Unfortunately this same point of view has been perpetuated in the Majles. Each group draws the nation's capital and resources, like sacrificial meat, towards itself, based on its common interests and positions. It is clear that in this struggle whoever is the strongest will win.

She added: Every year they pass a budget based on consensus rather than expert work. Have we thought about why, in the First Five-Year Plan, despite all the investment in industry and agriculture, we saw a smaller return than expected? No, we did not submit a long-term plan with a specific goal for manpower training, and our plan is not coordinated and precise. It is political and based on consensus.

One of our deadly pains in the human resource teaching and training sector is the deplorable situation in the schools with multiple shifts, with dark and crowded classrooms and buildings, sometimes decrepit and without the least amount of laboratory resources and equipment, which is the result of the inattention of the officials in this sensitive sector. The political, cultural, and economic independence of our country depends on investment in the education sector. In the Second Five-Year Plan, if the Combined Commission approves economic growth with a focus on agriculture, first it must think of training creative and growth-oriented farmers.

Hasan Soleymani (Supporter)

Hasan Soleyman, deputy from Kangavar, also spoke in support of the Five-Year Plan. He said: At the meetings of the Combined Commission the report from the Plan and Budget Organization was critiqued in a sincere atmosphere in an intellectual and academic spirit. The prevailing atmosphere in the sessions was not a one-sided effort to implement the government's views. Everything submitted to the commission was critiqued and the commission's members made their decisions with an awareness of general goals and policies. This bill has been submitted with the exalted leader's guidance in mind and with a combined study of all the reports. Therefore, if there is any doubt that the Plan and Budget Organization studied the defects in the First Five-Year Plan, they are misplaced. The people you trust did their religious and human duty on this commission.

He said: The areas of focus in the Second Five-Year Plan include qualitative revenue improvements; reforming the tax system; procuring of resources from the general budget to enable social security to make continuous payments to those in need, those without guardians and the handicapped; concern for the deprived areas with priority for health care, education, development; and developing the agricultural sector.

Lotfollah Zare'i-Qanavati (Opponent)

Lotfollah Zare'i-Qanavati, deputy from Behbehan, was another opponent of the Second Five-Year Plan Bill. He said: The objective in opposing the Five-Year Plan Bill is to critique it. First we must accept the fact that the

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achievement of social justice must be one of the government's major goals. A study of the plan shows that the revenue sources available to achieve its goals are as follows:

1. Revenues from oil sales
2. Tax rate increases
3. Balancing commercial fees and profits
4. Elimination of tax exemptions
5. Elimination of subsidies
6. Assigning some services to municipalities and others

It is very difficult to tolerate increased prices in various sectors without giving attention to the experiences of the past, and the ancillary elements. Also, family costs are sharply increasing.

He said: Several problems have made us anxious about the inflation situation and the rise in prices. They are:

A. The administrative system has been designed in such a way that it imposes enormous costs on the people. It does this with minimum efficiency, luxurious and huge buildings, extra costs and costly unnecessary work.

B. The lack of a system of control. The government believes that it cannot apply controls in the economic system, that no one has the ability to do this. The lack of a control policy is a defect. Perhaps it may be said that the lack of confidence on the part of individuals such as myself in economic activities arises from this very thing. When the price of any one product increases, due to the fact that this policy is missing, all prices suddenly multiply several times over, while a control policy would mean that prices would be kept at a reasonable level. In the Second Five-Year Plan the low-income classes will be under heavy pressure, and attention must be paid to them.

Mohsen Yahyavi (Supporter)

Mohsen Yahyavi, deputy from Tehran, spoke in support of the Second Five-Year Plan. He said: How is it possible for the private sector to guide us toward investment, when it has been specified in the law that priorities in the private sector will go to those who have sacrificed, basijis, and combatants? Will ownership by these dear ones and capitalists guide us towards investment?

In Note 28, which the Combined Commission approved, we have effectively turned over another sector of activities to the basijis. That is, in order to activate those who have sacrificed—the basijis and the combatants—in the nation's reconstruction and development and in order to activate potential resources, the government is required to give priority to combatants and basijis in the areas of agriculture, cultivation, industry and other things.

He said: According to a plan the government has approved, subsidies will be eliminated as of the year 1375 [21 March 1996-20 March 1997], but in order to retain support for the vulnerable classes and the common people, the Combined Commission has enacted measures so we will pay subsidies each year based on the year 1372 [21 March 1993-20 March 1994]. Every year $1.25 billion will be paid just in subsidies for vegetable shortening, rice, sugar cubes, sugar, and cheese.

With regard to subsidies on oil products we must also study our position in the coming years with regard to the production and consumption of oil products. With the trend towards increased consumption, if measures are not taken and if we do not take refuge in conservation, 10 years from now everything produced will have to be used for domestic consumption, and we will have no exports.

In the studies that have been done we have come to the conclusion that it will not be possible to economize without increasing the prices of oil products and eliminating all or some subsidies. It must be recognized that paying subsidies in this sector is the most unjust kind of distribution of the public treasury, because the ones who will benefit most from this will be the prosperous and high-consumption families.

Hasan Kamran (Opponent)

Hasan Kamran, deputy from Esfahan, was the final opponent. He said: The reason for my opposition is that no effort has been made in this plan to preserve the nation's life and power. Why is there no place for a maritime policy in this plan? There is a deep and broad connection between development and maritime policy. We do not know how it is that this vast and wide organization (the Plan and Budget Organization) has done no expert work in this area, and has not made use of its specialist abilities. We have the Persian Gulf and Sea of Oman regions that are connected to our national life, and there is no logical discussion of this in this Five-Year Plan. In this way both development and our national life will be vulnerable.

He added: Technology production is important for us because we have had the transfer of technology for some time and we are unhappy because we do not have technology production. Now that attention has been given to this issue, it is better that we talk about technology production instead of technology transfer. Why has no attention been paid to technology production?

Also with regard to provincial centralization, attention has been given only to the budget. There has been no discussion of any kind about the other goals of manpower training and cultural reform. We must realize that it is not enough to allocate the budget for a province. Attention must be given to all the issues.

'Ali Movahedi-Savoji (Supporter)

The final supporter was 'Ali Movahedi-Savoji, deputy from Tehran. He began by objecting that the time

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provided in the Majles Internal Guidelines to study the Second Five-Year Plan is insufficient.

He added: The critics have not raised any problems with the general form of the Five-Year Plan. They have discussed the details, and these are mostly to be discussed in the second consultation. In the second consultation they can amend the details with their own recommendations.

He then discussed subsidies. He said: The issues raised were all details that should be discussed in the second consultation during the discussions about details. In this same regard he said: In the government's bill the payment of subsidies is eliminated in the last two years of the Five-Year Plan, but the Combined Commission approved their continued payment until the end of the plan.

He discussed the nation's foreign commitments. He said: The Combined Commission has closed the door to new commitments except in the case of reciprocal sales. At the same time it was approved that 5 percent of the commitments would be repaid annually and at the end of the Five-Year Plan the nation's total commitments would be reduced by 25 percent. At the same time we said that at the end of the Five-Year Plan the nation's total foreign commitments must not be greater than $25 billion.

Mohammad Baqer Nowbakht-Haqiqi (Combined Commission Correspondent)

After talks by the supporting and opposing deputies, Nowbakht, correspondent from the Combined Commission, said: According to Article 2 in the Guidelines, in the first consultation only the general form of the Five-Year Plan and the notes dealing with general and basic goals are to be discussed.

He said: With regard to foreign debts, we have acted in such a way that the nation's total foreign commitments as of the beginning of the Five-Year Plan will be reduced by 5 percent every year, and by 25 percent by the end of the plan. If you want us to pay off all debts during the Five-Year Plan, we must say that this was not the goal.

Mas'ud Roghani-Zanjani (chief of the Plan and Budget Organization)

In conclusion, Mas'ud Roghani-Zanjani, chief of the Plan and Budget Organization, defended the Second Five-Year Plan. He said: Making use of the opinions of the experts and the care of the members of the Combined Commission meant that acting on the government's behalf we did not have a lot of disagreements with the Combined Commission. It is something to be thankful for that we were able to form a consensus and reduce differences of opinion.

He said: With authorization obtained from the Majles, the government created commitments to run the nation's economy. For various reasons these commitments came due at one specific time and finally, with the help of the Majles and the Central Bank, they were extended and the nation thus resumed its natural way of doing things.

If an extreme approach is taken to this phenomenon and causes what has been started to be stopped, this is not right. If an extreme and short-term approach is taken that is pleasing and acceptable only to a small group of people, this cannot be considered service.

He said: If we announce here that we are going to return prices to the level of the year 1357 [21 March 1978-20 March 1979], it is possible that this would make the people happy for a time. However, they would see the reality within five or six months, because they would see the results of the promise. When they say that the level of commitments should come down and when they say in a negative way that these commitments have brought the nation to disaster, they must realize that if we do not inject those resources into the domestic economy, the factories will stop operating, the workers will be without work, and it will not be possible to hire the manpower provided by the educational system. Is this a proper image of the economy of a nation? Is it right that we say these things merely to please a few people?

He added: In accordance with the exalted leader's guidance, the government intends gradually to eliminate foreign commitments. We must say that a country that has no commitments and does not use foreign investments is not being skillful. The management of economic resources demands that we use foreign resources, employ them, and develop. Not using foreign resources is nothing to be proud of. Does any country exist that has not done this? The important thing is that we use this capital properly so that we will have the power to pay it back. Another point is that some brothers believe that we must now pay back all commitments, but the effects of this on GDP and setting goals in the Five-Year Plan will bring down GDP, and this will have inflationary effects on the country.

He added: Some of the brothers say that policies and programs such as price adjustments and the transfer of factories and other things are moving in the direction of capitalism. I direct the attention of the respected deputies to the consensus of the nation's officials concerning reconstruction in the year 1367 [21 March 1988-20 March 1989], which they presented to His Holiness the Imam (peace be upon him) and which he also approved. The brothers definitely read that guidance and the transfer of factories was also part of that guidance. We had to pay attention to that guidance because he had identified our higher interest and the Majles also acted on it.

He added: This is the very reason individuals do not invest. Officials express such ideas, and those with capital, seeing that doing this is negative in their minds, refrain from investing and do not feel secure about investing.

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With regard to subsidies he said: In the framework of the policy of economic adjustment, subsidies should be evident. There are two ideas here. One is that we should provide hidden subsidies, the other is that we should eliminate them, and these two should be separated. Making subsidies evident means that the rates for these goods or services should be clear to everyone so that if we want to give subsidies to a group we will make everyone understand that the government is paying the price difference, and that goods and services in society should find their essential rate.

In the Five-Year Plan the total subsidies planned in various areas is close to R37,000 billion, and in the Second Five-Year Plan the rates for some goods do not reach their real price. The government uses aid and investment to cover and control that increase in prices.

In conclusion he discussed the change in prices. He said: If a change is made in the price of oil products, the means of compensating for the change must also be specified, which will be discussed in the second consultation. The government also accepts this.

If policies of economic stabilization mean controlling currency in circulation and ordering the nation's monetary policies, I assure you that price stability will be created.

After the talk from the chief of the Plan and Budget Organization, the general form of the Second Five-Year Plan Bill was put to a vote and was approved by a majority vote of the Majles deputies.

[B. 24 Aug 94 pp 24-25]

[FBIS Translated Text] The Islamic Republic of Iran's Second Five-Year Economic, Social, and Cultural Development Plan, which should have been implemented after study and approval in the Majles at the beginning of the year 1373 [21 March 1994], was presented to the Majles after a relatively long delay. Therefore the deputies decided, in order to allow for careful study, approval and implementation of this plan, to delay its implementation by one year.

To achieve this goal the Majles Internal Guidelines were changed and a 35-person commission was formed called the Combined Commission consisting of members of the Plan and Budget Commission and one person from each of the special commissions. It was decided that initially the general form of the bill and its relevant notes would be studied by this commission and then the general form would be approved in open session. Then the details and the relevant notes would be presented and go through the same phases.

In the sessions of 17, 18, and 19 Mordad [8, 9 and 10 August], the first consultation concerning the Second Five-Year Development Plan, the general form of the Five-Year Plan and the relevant notes were approved in open session by the Majles. The second consultation will be held after the completion of the Majles summer recess (20 Mordad-20 Shahrivar [11 August-11 September]), where the plan will be studied in the Combined Commission. It will then be studied and approved in open session.

The first part of the legislation approved in the first consultation on the Second Five-Year Development Plan is presented below.

Part 1

Article 1

A: The general qualitative goals, the basic policies, the general policies and the notes relevant to the basic goals and policies are approved as given in the supplement to this report.

Section 1: General Qualitative Goals

1. Effort to achieve social justice
2. Growth of virtues based on Islamic ethics and raising the quantity and quality of the public culture in society
3. Guiding youth and adolescents in the areas of religious faith, indigenous culture, creativity, knowledge, art, technology, physical training, human, family and social relations, and participating in cultural, social, political, and economic activities
4. Increasing productivity
5. Training needed manpower
6. Stable economic growth and development with emphasis on agriculture
7. Reforming the structure of the nation's judicial and executive supervision in order to achieve the goals of the Five-Year Plan
8. Strengthening the participation of the general public and taking the necessary measures to provide worthy and continuous supervision of the implementation of the Five-Year Plan
9. Efforts to reduce the dependence of the nation's economy on oil revenues and to develop non-oil exports more than ever
10. Preserving the environment and making the best use of the nation's natural resources
11. Strengthening the nation's defense foundation to the extent needed in the framework of the policies and measures adopted by the exalted commander-in-chief of the armed forces
12. Observing the principles of glory, sovereignty, and national interest in foreign policy

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13. Efforts to achieve the full authority of the law and provide comprehensive security for the people, to promote the culture of respect for the law, social order and the work ethic

14. Organizing and implementing research as a tool for solving problems and developing the nation

15. Creating a balance among the economic sectors (cooperative, private and government)

16. Reinforcing and giving preference to the values of the Islamic revolution in the granting of financial and government resources

Section 2: Basic Policies

1. Efforts to achieve social justice through:

a. Dividing public resources in the best way by designating indicators in relation to the national quota levels for the existing situation in the provinces and regions which are lower than average at the beginning of the Second Five-Year Plan in social and economic affairs.

b. Developing and improving the quality of the public's general living conditions, including improving the distribution of revenues and wealth and reducing the birth rate.

c. Reforming the tax system in such a way that appropriate and progressive taxes are collected from those with high incomes

d. Preventing incomes that are false, illegal, of unknown origin, or arising from inappropriate concessions.

e. The development, spread, and improvement of the social security system by procuring resources from the general budget for the purpose of making continuous payments to the needy classes, women and children without providers and handicapped people, developing social security insurance and putting all the people under coverage of health care insurance until the end of the Second Five-Year Plan, and paying the government's per-capita share in accordance with the regulations in the Health Care Insurance Law.

f. Attention to the deprived and rural areas with priority to employment, health care and training, production and development.

g. Giving support to those who have sacrificed, basijis, combatants and the needy and vulnerable classes.

h. Giving coverage to all the children and adolescents who must receive education and strengthening public education.

i. Procuring general health care and expanding universal insurance.

j. Planning and creating the necessary conditions for protecting consumer and producer rights.

k. Giving direction to the government's transfer assistance in the public budget in the framework of subsidies, exemptions, fees, taxes and other means and privileges aimed at supporting the vulnerable and needy classes and alleviating deprivation.

l. Making appropriate decisions to alleviate deprivation and eliminate regional inequities in the land logistics programs.

m. Developing judicial security and extending economic security.

n. Effort to orient and guide the greatest part of financial resources to the social sectors including culture, public education, health care and treatment, higher education, and research and physical training.

2. Growth of virtues based on Islamic ethics and raising the quantity and quality of the public culture in society

a. Presentation and promotion of the character, morality, ideas and works of His Holiness Imam Khomeyni (peace be upon him).

b. Organizing and making policy to coordinate cultural activities in the areas of social ethics and spirituality.

c. Improving the quantity and quality of the production and broadcast of Voice and Vision programs as the national public university.

d. The spread of direct education in the areas of ethics and spirituality with a view to the needs of various traditional groups, especially the younger generation and adolescents, and the needs of each region.

e. The spread of the culture and value of labor and individual and social merit based on public participation.

f. Cultivating the spirit of accepting responsibility, public order, regulation, cooperation, and social solidarity.

g. The creation of appropriate organization in all existing organizations; bodies; and entities that are in some way active in the nation's decision-making; policymaking; and executive, propaganda, and cultural affairs.

h. The spread of the culture of contentment and economy, avoiding ostentation, waste, and dissipation in the public and private sectors, and the presentation of suitable models for life.

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i. The transfer of executive, cultural, artistic, and sporting activities to the public and strengthening public participation, in view of the government's policymaking, decisionmaking, and supervision.

j. Cultivating the spirit of national solidarity and respect for the law and the values of the Islamic revolution, preserving the sanctity of the family, reinforcing the spirit of accepting responsibility and participation in political and social affairs.

k. Making sports universal and spreading physical training activities, especially among youth, for the purpose of training the body and mind and making the general public's free time fruitful.

l. Special attention in planning and allocating resources to physical training and filling the free time of women.

m. Greater participation of women and ladies in social, cultural, educational, and economic affairs, preserving family practices and the high values of the woman's exalted Islamic personality.

n. Mobilizing all resources and relevant organizations to uproot addiction and to fight social corruption and the cultural invasion.

o. Efforts to understand the tricks, implements, and methods of the enemy's cultural invasion.

p. Attention to organizing and developing activities in mosques as bases for the growth of ethical virtues and spiritual values.

q. Putting training ahead of education in the making of policy, planning, and implementation at society's various educational and general levels.

r. Continuation of direct government aid to the cultural sector and strengthening and developing it.

3. Guiding youth and adolescents in the areas of religious faith, indigenous culture, creativity, knowledge, art, technology, physical training, human, family and social relations, and participation in cultural, social, political, and economic activities, through:

a. Reinforcing Islamic religious faith, thinking and ways; persuading to proper action; and encouraging the implementation of religious virtues and upholding religious slogans.

b. Promoting appropriate individual, family, and social behavior and fighting the spread of inappropriate behavioral models arising from the cultivation of foreign culture.

c. The presentation of various dimensions of the lives of the prophets (peace be upon them) as supreme models for individual and social behavior.

d. Raising ideological and political insight in the area of the emamate and the leadership of Islamic society.

e. Attention to the cultivation of a spirit of creativity and innovation in scientific, cultural, and artistic areas.

f. Planning for the discovery and cultivation of bright and prominent talents, guiding them in the areas the nation needs, and stopping the brain drain.

g. Making young people aware of their rich cultural, Islamic, and national heritage and fighting the spirit of contempt and alienation in the face of the culture of the West.

h. Making young people aware of the new science and technology along with commitment to Islamic values.

i. Reinforcing the sense of self-reliance, self-confidence, and taking advantage of employment opportunities.

j. Reinforcing a scientific and critical intellectual foundation and encouraging the study and reading of books.

k. Identifying domestic and foreign enemies and reinforcing the spirit of resistance to the cultural invasion, social corruption, and criminal activity.

l. Planning for making desirable use of free time.

m. Paying the necessary attention to bodily health, joy of the spirit, and retaining the joy, by developing universal sporting activity.

n. Encouraging marriage and the formation of families by easing the qualifications, adjusting expectations, reducing the formalities, and promoting awareness of the religious procedures and criteria in the selection of a spouse and family rights.

o. Creating the necessary conditions for the active participation of youth in political, social, and economic affairs and reinforcing the spirit of cooperation and the acceptance of responsibility.

4. Increasing productivity through:

a. Developing the culture of labor and production and strengthening the work ethic in order to increase manpower productivity.

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b. Making the best use of manpower resources and allocating it in the best way, in view of the indicators and priorities given in the Five-Year Plan and the necessary justifications.

c. Continuous supervision, evaluation, and follow-through, in order to implement programs well and study the results.

d. Doing the necessary scheduling for projects and emphasizing the reduction of finished costs for the nation's domestic products, goods, and public services.

e. Increasing the efficiency of executive organizations, reducing general costs, and making the nation's administrative and executive organizations efficient.

f. Preventing waste, extravagance, and dissipation in the public budgets and government organizations, companies and institutions, banks, and revolutionary organizations.

g. Emphasizing training, the selection of worthy and skilled managers, and supervising their performance and implementing policies of reward and punishment for the purpose of increasing efficiency.

h. Reforming the system of law and wages based on the work plan and profitability that befits the nation's economic circumstances.

i. Reforming the system of collecting and distributing statistics and the centralized delivery of information.

j. Encouraging social consumption to go in the direction of making the best use of resources through various educational, cultural, propaganda, and economic centers.

k. Relying on making the best use of energy and preventing its waste.

l. Creating and reinforcing quality control policies.

m. Emphasizing the use of appropriate technology in view of the manpower employment situation, investment, and raw materials.

n. Choosing managers from a wider pool and giving attention to their individual abilities, observing ideological principles.

5. Training needed manpower through:

a. Developing the cultural, ideological, scientific, technical, and specialist training the nation needs, especially at the levels of expert guidance and doctoral studies.

b. Improving the quality of the nation's educational system.

c. Making the best use of the capacities of the nation's academic and research centers

d. Paying the necessary attention to the needed sciences, techniques, and technologies.

e. Emphasizing as much public participation and cooperation as possible in technical training affairs and determining the role of education and manpower training in the growth and development of society.

f. Establishing as much of a relationship as possible between the nation's academic and research centers and the producing and industrial centers.

g. Giving value to technical, professional, skilled, and semi-skilled manpower training and filling in the missing links in various manpower sectors.

h. Emphasizing the use of public resources and media to reinforce education and training programs to carry out proper educational procedures, and coordinating education and training programs in order to achieve the goals of the Five-Year Plan.

i. Creating a system for evaluating, revising, reforming, and completing educational programs and making use of educational aids, the Voice and Vision Organization, and suitable technology to meet domestic needs and establish ties between the educational sectors and domestic needs and industries.

j. Improving quality and quantity indicators and increasing the percentage share of credits for the education and training, technical, professional, and higher education sectors.

k. Supporting the nation's educational cadres in order to increase efficiency and to attract Iranian specialists outside the country.

l. Reinforcing the cultural facets of students and university students and deepening their knowledge of religion and Islamic values.

m. Revising the nation's educational system and making use of credits to increase the academic return and raise the quality of education and training.

n. Emphasizing necessary and adequate preparations for manpower growth and training in the nation's deprived and rural areas.

o. Reinforcing and developing the scientific and ideological training of foreign university and seminary students inside the country.

p. Making the necessary preparations to raise the academic and cultural standing and for continuing the education of the nation's teachers.

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q. Making preparations for the identification and growth of the nation's new and young manpower in one cycle for training, evaluating, and promoting them.

6. Stable economic growth and development with emphasis on the agriculture sector through:

a. Emphasizing as much as possible the internal strengths of the nation's economy and creating suitable mechanisms for reinforcing its internal foundations instead of relying on the inductive growth obtained through oil revenues.

b. Creating appropriate conditions for increasing national savings and investing it in the sectors the nation needs.

c. Emphasizing the completion of partially-completed production and industrial projects and guiding public resources into small regional projects that bring a quick return.

d. Efforts to plan and create regional balance in view of the relative merits of each region and equipping development groups by developing infrastructure and production capacities in view of the capabilities and conditions in each region.

e. Reducing the involvement and the monopolies of the government and organizations and institutions affiliated with the government and bodies of the Islamic revolution.

f. Increased utilization of the nation's public resources at the level of the nation's individual people and units.

g. Making the best use of existing capacities in all areas.

h. Special attention to conversion industries and industries affiliated with the agricultural sector.

i. Emphasis on the completion of industrial and production lines and chains.

j. Organizing the activity and planning of various economic sectors including water, industry, energy, transportation and shipping, commerce, and banking to reinforce the agricultural sector.

k. Giving priority to the procurement of development credits in the water, agricultural, and natural resources development sectors, increasing the share of low-cost and easily obtainable banking, reinforcing nongovernment financial and credit institutions in the agricultural sector, giving special attention to conversion industries, packaging government crops, gradually centralizing the government's activities in the agricultural sector in research and the promotion of education, transferring production and distribution and other matters as much as possible to the people, emphasizing increased production per surface unit, and increasing the return on irrigation.

l. Timely and adequate procurement of agricultural units and machinery and timely announcements of guaranteed prices with a suitable mechanism for setting prices; setting customs tariffs to support domestic production and reducing the role of brokers in the marketing of crops; continuing subsidies and tax exemptions; giving priority to investment in the agricultural sector over other sectors; and implementing agricultural production insurance and social security for agricultural producers and rural people.

m. Preservation, revival, and utilization of forests and pastures and utilization of forests and pastures and the nation's maritime resources and domestic aquatic life with public participation and with the creation of suitable management; attention to the development and improvement of rural areas; the procurement of the needed specialist manpower and providing the appropriate export resources and means for agricultural products; and forming a Supreme Agricultural Council to do the necessary coordination; and supervision of the achievement of the goals in the agricultural sector.

n. Efforts towards the proper preservation, revival, development, and utilization of renewable resources and aquatic life.

o. Organizing various kinds of markets for capital, labor, commerce, and services, and also monetary, financial, and stock markets.

p. Determining a strategy and setting priorities for economic and commercial activities in light of the designated model.

q. Creating coordination and cooperation between the various sectors for financial and monetary policymaking, decisionmaking, and executive affairs to meet the designated goals, priorities, and strategies.

r. Emphasis on domestic manufacture and production in all areas, and making the signing of contracts with foreign parties contingent upon the fact that domestic manufacture is not possible, and upon the fact that the manufacture is done jointly.

7. Reforming the structure of the nation's judicial and executive supervision in order to achieve the goals of the Five-Year Plan through:

a. Creating administrative order and regulation; eliminating duplicate organizations; and applying careful supervision to the activities of government organizations and companies, banks, and municipalities.

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b. Reducing centralization, eliminating administrative bureaucracy, and using simple procedures to carry out the relevant affairs and transfer as much work as possible to the provinces.

c. Improving manpower composition by increasing the ratio of specialist manpower to service and support manpower.

d. Fighting administrative and executive corruption and proper implementation of the system of rewards and punishments.

e. Reforming the administrative organizations with an orientation based on transferring the relevant work to the private and cooperative sectors and strengthening the province centers.

f. Optimizing the decisionmaking and policymaking system with the goal of creating the necessary efficiency and nonintervention in parallel duties and activities.

g. Determining the limits of the government's responsibilities in exercising sovereignty and authority to the extent necessary.

h. Reviewing and amending laws and regulations to facilitate and expedite affairs as well as possible.

i. Planning and reform of the system of preparing and implementing development projects for the purpose of facilitating, scheduling, and achieving the desired utilization.

j. Changing the centralized planning system to a noncentralized planning system in policymaking, decisionmaking, setting priorities, implementation, and supervision.

k. Emphasizing employment of those who lose their jobs in connection with administrative structural reform.

l. Coordination and harmony among administrative units and organizing efficiency.

8. Strengthening the participation of the general public and taking the necessary measures to provide worthy and continuous supervision of the implementation of the Five-Year Plan through:

a. Encouraging and supporting the formation of specialist organizations in various areas.

b. Expanding the role of the people in cultural affairs by amending laws, regulations, and procedures and giving financial and credit support to cultural activities.

c. Spreading the culture of enjoining good and prohibiting evil.

d. Creating Islamic councils in the provinces, municipalities, cities, villages, and rural areas and letting these councils supervise all development, cultural, executive, and economic affairs within their purview.

e. Transferring some of the government's economic, executive, and development activities to the people, in cases where it will not damage the government's authority.

f. Employing worthy, trustworthy, and committed manpower to exercise continuous supervision over the implementation of the Five-Year Plan and preventing action being taken based on the tastes of individuals and sectors.

9. Efforts to reduce the dependence of the nation's economy on oil revenues and to develop non-oil exports more than ever through:

a. Maximum use of the nation's existing financial capacities.

b. Setting the limits and the extent of the activities of each of the government, cooperative, and private sectors in exports.

c. Amending the Export and Import Law and adopting appropriate foreign exchange and tariff policies to stabilize policies and encourage exports.

d. Supporting capital investment to increase the added value of agricultural, mining, and industrial conversion industries and to support exporters by providing the means and the needed services and information.

e. Reinforcing the export development bank to help exporters.

f. Adopting appropriate credit and tax policies for exports.

g. Continuous supervision and evaluation of non-oil export affairs.

h. Allocating a share of production to exports.

i. Using desirable raw materials in export goods.

j. Using the desired packaging for exports.

k. Making standards conform to the tastes of importing countries.

l. Fighting smuggled exports by controlling the borders at entry and exit points.

m. Developing non-oil barter transactions.

n. Forming and reinforcing export unions and cooperatives.

o. Making effective use of the free trade zones to develop exports and re-exports.

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p. Coordinating existing organizations for export affairs under the supervision of a supreme committee.

q. Making greater use of production capacity (agricultural and industrial) for exports.

r. Activating offices for foreign representation and the embassies of the Islamic Republic of Iran for exports.

s. Making use of the media in foreign countries to do marketing and propaganda.

t. Reviewing the responsibilities of organizations involved with exports, eliminating duplicated measures, and reducing crippling bureaucracy.

u. Activating real persons and legal entities in the area of foreign trade under government supervision within the limitations of the Export and Import Law and preventing the creation of import monopolies.

v. Creating the necessary means to issue foreign exchange guarantees for domestic companies who win in international bidding.

w. Creating the necessary means for the temporary export of machinery and other equipment and supplies needed by domestic contractors in foreign countries, to carry out development projects.

x. Establishing export incentives where necessary.

y. Returning customs levies and fees on export goods.

z. Creating an export guarantee fund and creating a system of export insurance.

aa. Providing marketing assistance for domestic products by establishing expositions, markets, and a stock market for export goods.

bb. Providing political and diplomatic support.

cc. Providing regulations based on which exporters can label their exports with their name, or apply the stickers and information requested by the buyer, and prevent export goods from being discredited.

dd. Reviewing the nation's market organizations and forming a supreme export council to coordinate, encourage, and develop exports.

ee. Identifying new markets (merchandise and locations) for the development of current exports and for the conversion of potential to actuality in these markets.

ff. Preventing misleading propaganda with regard to import goods.

gg. Requiring importers to provide services after sale with regard to durable goods.

hh. Requiring importers of goods to engage in education and technology transfer.

10. Preserving the environment and making the best use of the nation's natural resources

a. Emphasis on preserving, reviving, developing, and making principled use of natural resources.

b. Development of detailed operations to explore, equip, and prepare the mines needed by the nation's industries.

c. Making maximum use of mines for the procurement of raw materials for the nation's producing factories and replacing imported materials with domestic raw and partially-finished materials.

d Removing all the obstacles and creating every kind of facility for the participation of nongovernment miners in exploration and production activities.

e. Emphasis on the implementation of projects to increase the rate for utilizing guaranteed water with the completion of irrigation and dredging networks, equipping, and rebuilding lands and covering rivers.

f. Compiling the necessary regulations, standards, criteria, and indicators for the environment and revising the existing legal framework in all areas using the latest scientific findings and coordinating with the nation's conditions and resources.

g. Making the best use of energy by changing the model for consumption, increasing consumer energy utilization, and using clean replacement energy.

h. Protecting and reviving renewable natural resources; protecting rare varieties of plants; preventing desertification; making efforts to reduce the size of deserts; preventing soil erosion and pollution, air pollution, the pollution of surface and underground waters, and the maritime environment; preventing the destruction and extinction of the nation's wildlife; and also making appropriate use of the nation's mineral resources by observing environmental regulations.

i. Making the best use of pesticides and fertilizer in the agricultural sector and using biological methods to control pestilence to reduce the use of pesticides.

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11. Strengthening the nation's defense foundation to the extent needed in the framework of the policies and measures adopted by the exalted commander-in-chief of the armed forces, through:

a. Maintaining and increasing the combat capability of the armed forces of the Islamic Republic of Iran by procuring the appropriate resources and equipment, and through organization, education, maneuvers, performing the assigned missions in the best way, making the best use of all existing resources and paying special attention to repair and maintenance.

b. Reinforcing and extending the chain of close ties between the nation's industries and the military industries in order to meet minimum defense needs.

c. Improving manpower, reinforcing faith, improving labor discipline and organizational structure to increase utilization and raise the quality of the armed forces of the Islamic Republic of Iran.

d. Meeting the material needs and social rights of the personnel of the armed forces of the Islamic Republic of Iran.

e. Creating and reinforcing the necessary conditions to carry out the project to mobilize the basijis through recruiting, maintaining coordination, education, and organization.

f. Spreading the culture of faith, spirituality, and resistance in all the nation's armed forces.

g. Emphasizing and reinforcing the education needed for defense preparedness at various specialist and general levels.

h. Making military industries dual purpose and making the best use of existing capacities in this sector with attention to:

A. Priority for meeting defense foundation needs based on approved programs.

B. Non-military production to the extent possible to give indirect help to strengthening the nation's defense foundation.

C. Possibility of returning to the first state in the minimum time.

D. Maintaining the level and increasing the quality of technology, and preserving specialist manpower in the framework of the relevant organization.

i. Emphasis on reinforcing the military industries and completing and rebuilding the existing industries, especially in the areas of electronic and aeronautic industries.

j. Emphasis on appropriate organization of the armed forces of the Islamic Republic of Iran and training the needed cadres and manpower.

k. Making use of forces and resources and active involvement in the nation's reconstruction in peacetime in such a way that their combat readiness is not damaged, making efforts to achieve self-sufficiency and providing support to the relevant innovators and inventors.

l. Emphasis on the procurement of defense needs from military resources and industries, making use of the nation's existing potentials and buying defense items abroad only when they cannot be built and produced within the country, considering their quality.

m. Emphasis on exports and marketing in the defense industries sector and also participating with friendly nations to create the required and needed projects.

n. Emphasis on the use of inoperative anti-aircraft rockets when necessary and in light of the land logistics and regional conditions.

12. Observing the principles of glory, sovereignty, and national interest in foreign policy, through:

a. Strengthening good relations with neighbors, keeping unrest away from the borders, spreading regional and global cooperation.

b. Developing and reinforcing cultural, political, economic, and commercial ties with friendly Islamic nations and the EC.

c. Creating a balance between economic and political relations with other countries.

d. Centralizing various activities outside the country in the framework of political representatives and preventing scattered activity.

e. Valuing quality manpower in foreign relations and emphasizing the training and selection of skilled manpower in representative offices outside the country.

f. Serious support for private sector activities to increase non-oil exports and to create the necessary conditions for relations and involvement in other countries.

g. Efforts to create a commercial balance with other countries.

h. Obtaining national security against foreign threats.

i. Protection and preservation of borders, defending territorial integrity, and safeguarding the Islamic revolution.

j. Forming a long-term foreign policy strategy based on the principles of the Constitution.

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k. Serious support for government and private sector economic, technical, and service activities, especially help with the creation of relations with foreign countries.

l. Continued struggle with the imperialist regimes, especially America, and support for the struggles to liberate Jerusalem and destroy the regime occupying Jerusalem, in the framework of guidance from the exalted leader.

13. Efforts to achieve the full authority of the law and provide comprehensive security for the people and to promote the culture of respect for the law, social order, and the work ethic.

a. Timely and continuous supervision of the implementation of laws at all levels and dealing decisively with violators.

b. Creating an active and coordinated system of judicial cooperation such as activating the guidance circles; reinforcing judicial training, the society of attorneys, and legal official and medical experts, to achieve the rights of the people.

c. Shortening the time it takes to hear cases by amending existing laws and making use of new tools and technology.

d. Creating the executive resources to perform the responsibilities of the National Inspectorate Organization and the Administrative Justice Court.

e. Spreading the spirit of accepting criticism, constructiveness, and good will, cooperation, mutual understanding, and solidarity in the advancement of all affairs.

f. Improving the technical procedures for fighting criminals and discovering crime.

g. Creating the necessary conditions for sound and constructive social, academic, and cultural activities, and comprehensive national cooperation.

h. Continuous and thorough supervision to insure proper implementation of programs and improve the general supervision of all the nation's affairs.

i. Spreading, reinforcing, and teaching the culture of order, discipline, lawfulness, and the observance of ethics, rights, and social values in all parts of society and in all the nation's bodies and organizations.

j. Spreading the sanctity of the law and lawfulness.

k. Seriously avoiding disorder, lawlessness, and any kind of aggression or violation of the rights of individuals, the nation, or the government.

l. Comprehensive cooperation between the government and the nation in spreading the spirit of social understanding, national unity, and cooperation, lawfulness, exchanging views, and mutual goodwill and concern between the government and the nation.

14. Organizing and implementing research as a tool for solving problems and developing the nation

a. Increasing the percentage of GNP taken up by research credits and improving the nation's research indicators.

b. Creating a research system in order to increase, organize, and coordinate research activities and evaluate them.

c. Setting the nation's research priorities and orienting research credits towards priorities.

d. Establishing a coordinated relationship between academic and research centers and economic, social, and cultural centers.

e. Effective support for research in nongovernment sectors.

f. Evaluating the existing situation and planning a model strategy for the development of sciences and technology that are compatible with the goals of the Five-Year Plan and the general conditions in society.

g. Developing and creating resources for those sciences and technologies that are appropriate for the relative preferences of the nation's economy.

h. The development of technological software in order to make use of existing equipment and resources (hardware).

i. Combining the transfer of technology with the purchase of services and equipment outside the country.

j. Making as much use as possible of the universities in the transfer of technology.

k. Reinforcing the ties between the nation's research centers and the international centers.

l. Reinforcing the ties between research, application and education.

15. Creating a balance among the economic sectors (cooperative, private, and government) through:

a. Increasing legal supports and creating means for as much public participation as possible in economic, social, and cultural activities and emphasis on attracting capital from the private and cooperative sectors.

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b. Making efforts to create stability in the laws pertaining to economic and cooperative sector activities.

c. Transferring some government activities that are not in conflict with the government's sovereignty to the private and cooperative sectors.

d. Transferring government companies to the private and cooperative sectors, with priority given to those who have sacrificed, and minimizing the transfer of these companies to nongovernment public bodies and institutions and banks.

e. Making efforts to increase the share of the private and cooperative sectors in the GDP.

16. Reinforcing and giving preference to the values of the Islamic revolution in the granting of financial and government resources, through:

a. Giving priority to those who have sacrificed and the families of martyrs, former prisoners of war, and basijis in making use of banking, national wealth, and natural resources.

b. Giving material, spiritual, and judicial support for the forces of the basijis and those who have sacrificed in all areas of the revolution and the Islamic Republic of Iran.

c. Paying the necessary attention to committed and sacrificing forces in the areas of education, technology, employment, procurement of the implements of work, land, housing, and the resources required to form a family.

d. Making greater involvement possible in the nation's political, judicial, and executive affairs, for those who have sacrificed.

e. Giving value to committed, skilled, worthy, specialist, and trustworthy manpower in appointments and responsibilities and in their employment.

f. Meeting the needs of the families of martyrs and those who have sacrificed with emphasis on improving the standard of living and procuring employment.

g. Giving priority to those who have sacrificed and the basijis in the use of social security treatment services and medical services.

[C. 31 Aug 94 pp 24-25]

[FBIS Translated Text] In the previous issue the first part of the text approved in the first consultation on the Islamic Republic of Iran's Second Five-Year Economic, Social, and Cultural Development Plan Bill was printed. Part 2 Appears Below.

Part 2

Section 3: General Policies

1. Foreign Trade

Policies on foreign trade will be written with the goal of creating conditions for manifesting the nation's relative merits internationally and for creating competition with the outside world in the domain of production, in order to create conditions for the qualitative and quantitative development of domestic technology and for creating innovations and making continuous effort to increase profitability, keeping in mind the government's overall interest. The exception to this will be basic and strategic goods, defense needs, and selected industries, which will be supported.

Policies To Reform the Foreign Trade System (Goods and Services)

1.1) The nation's foreign exchange system will be a managed floating system, in which the following will be observed:

A. Uniform foreign exchange rate

B. The ability to convert the nation's currency at foreign prices based on the floating rate.

1.2) Crippling customs procedures and unnecessary administrative phases must be eliminated and the phases for releasing goods for export and import will be as simple as possible. On this basis, the only customs restrictions remaining will be those that have quality control and quarantine functions (such as controlling the quality of treatment and health care drugs or agricultural seeds and seedlings or animal quarantines at the time of entry into the country). Controls having to do with the type of goods will be limited to goods that are prohibited for religious or legal reasons.

1.3) Using customary commercial procedures to organize foreign trade relations for the purpose of obtaining special concessions and to fight the restrictions that other countries apply.

1.4) Easing the requirements for entry and exit to the trade profession for interested individuals and preventing monopoly.

1.5) Customs tariffs will be set in view of a reasonable level of support for domestic producers and consumers and to create relative advantages for groups of goods, in such a way that it will be easy for the exporter, the importer and the customs agent to understand them. These supports will have a logical procedure that is appropriate for world conditions so that based on the trend in customs changes internationally, it will be possible to create conditions for international competition and to use world standards in the nation's production. With regard to tariffs and customs procedures, the following will be taken into consideration:

A. The government's revenues from the import and export of goods such as customs levies, commercial profits, order registration fees and other things will be collected in one centralized place.

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B. The implementation of anti-dumping regulations through tariff or non-tariff action against undesirable commercial action by a trading partner nation.

C. Action to eliminate special customs exemptions and substituting the necessary credits for those executive organizations that cannot meet the above expenses by marketing their goods and services.

D. Creating the necessary conditions for the daily spread of the electronic exchange of goods based on progress made in the world.

6.1) Membership in international and regional organizations and unions to gain more benefits in commercial affairs with the outside world.

7.1) Efforts to create balance and coordination between our nation's economic relations and its political relations with other countries, and making the desired use of the leverage of economic relations in political relations with countries.

2. Monetary Policy and Market Organization

Completion and development of existing markets, including the markets for money, capital, labor, and services

2.1.1) Publication of papers for participation and investment as one of the effective procedures will be used for monetary and financial policies. In this regard the necessary preparations will be made for the use of the new financial tools such as participation papers, investment papers, and short-term participation papers, which have general acceptance, and the necessary mechanisms will be designed.

2.1.2) Revision of laws, regulations, and rules supervising the activities of financial institutions in monetary and capital markets in such a way that they are coordinated with the new conditions arising from domestic and international changes.

2.1.3) Making profit rates reasonable in the banking system in such a way that by making the real rate positive there will be a return on deposits, and the rate of return on banking will encourage savings as much as possible and will lead to the best allocation of rial resources. All funds that are deposited in the interest-free loan account will be used only to pay interest-free loans.

2.1.4) To help with economic development and to advance the nation's technology, and also to create a balance in the progress in the nation's various regions, the specialist banks will create development that is appropriate for the government's goals of economic, social, and cultural development, and the budget, and shortages in financial resources in these banks will be made up through cooperation with the private sector.

2.1.5) Attracting as much participation as possible from the private and cooperative sectors in presenting banking services, development, reinforcing the activities of non-banking credit institutions, and creating the necessary conditions for completing the nation's banking system under the control and supervision of the Central Bank of the Islamic Republic of Iran during the Second Five-Year Plan.

2.1.6) Preserving the value of the nation's money through:

A. Revising and amending banking and monetary laws and regulations

B. Adopting monetary and financial policies to strengthen the national currency

C. Planning for the gradual repayment of the debts of the government and companies affiliated with the government to the Central Bank of the Islamic Republic of Iran.

D. Efforts to collect outstanding funds owed to the banking system

E. Efforts to draw in as much of society's currency in circulation as possible and guide it towards investment and production.

F. Guiding banking system credits towards implementation of the policies of the Second Five-Year Plan

2.1.7) Continuation of the policy of eliminating borrowing in the government's general budget, gradually eliminating it from the nation's general budget, and gradually eliminating foreign commitments.

2.1.8) Creating and spreading the tradition of interest-free loans and reinforcing interest-free loan funds.

2.1.9) Reducing current and administrative expenses (wages and administrative overhead).

2.1.10) Preserving and ordering a direct relationship between the growth in GNP and increasing the volume of bills and currency in society, in order to control inflation.

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2.1.11) Adopting the necessary measures to increase the share of investment in the nation's overall economy.

2.1.12) Making efforts to reinforce the Central Bank by revising monetary and banking laws and changing the composition and responsibilities of the Money and Credit Council in such a way that they achieve the goals in an Islamic banking system and the programs of the Five-Year Plan, reinforcing the value of the national currency and preventing the excessive growth of currency in circulation.

2.2) Capital Market

2.2.1) To increase the efficiency of the capital market, its active institutions and the body that supervises them will be organized in such a way that, while it has the necessary independence, it will play its real role in equipping and allocating long-term resources. Among the things that will receive special attention in this regard are the following:

A. New financial tools will be created, such as a deposit voucher, investment papers, and participation papers on the capital market, to answer various needs and to cover various risks.

B. Developing and reinforcing the denominated paper stock market by amending laws and improving and developing the information delivery network, providing information to the public on the state of the companies accepted by the market, and giving attention to the principle of sale by auction, the marketing mechanism and demand in this market.

C. A suitable and secure atmosphere will be created for the general public's financial investment

2.2.3) To obtain the necessary capital to implement projects and programs and create the conditions necessary to attract foreign capital in various ways, the necessary laws, regulations, and guidelines will be approved and implemented.

2.2.4) Amending and completing laws and regulations to support capital and labor in such a way that while supporting the labor class, conditions will be created for supporting investors. Worthy and hard-working managers and laborers will be encouraged, and managers and laborers who are unsound and who do not work enough will be dealt with.

2.2.5) Creating active organization in the capital market by the cooperative and private sectors such as the Investment Bank, nonbanking financial institutions, and the creation of investment companies.

2.2.6) Preparation of the Investment Law

2.3) Labor market

2.3.1) Encouraging investors to make as much use as possible of Iranian workers and making less use of foreign workers.

2.3.2) Creating conditions that create work and creating new occupations during the Second Five-Year Plan.

2.4) Goods and services market

2.4.1) Creating extensive competition on the market for goods and services

2.4.2) Reducing the centralization of the economic power of institutions and organizations, or government and nongovernment companies, and fighting against monopoly practices.

3. Financial Policy

3.1) General Budget

3.1.1) Studying and compiling a national planning and budget-making system to achieve the goals of the Five-Year Plan.

3.1.2) Increasing effective supervision by the relevant organizations, especially the Majles.

3.1.3) Increasing the profitability of using public resources by individual components of society through:

A. Creating a system of strict financial order and discipline and maximum economy in the expenditure of development and current expense credits and the resources of government companies and companies affiliated with the government.

B. Giving attention to increased profitability and making the best use of resources as a rule for management performance and one of the regulations for its evaluation.

C. Giving attention to expediting all projects and turning them over more quickly for operation by centralizing resources instead of having numerous and scattered projects, along with slow work.

D. Just distribution of the development budget with attention to the natural talents of the provinces and the deprivation indicator.

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3.2) Revenue Policies

The government's revenue policies have been designed in such a way that they will be possible to achieve only by reducing the dimensions of the government and meeting current expenses solely by increasing the share of taxes in the long term, as follows:

A. Increasing the share of direct taxes in the nation's tax revenues, with the exception of wage earners.

B. Gradual elimination of the tax exemptions given to the sectors, fields of activity, and various institutions, along with price reforms, allocating a budget and revising the tax system based on a base income, with the exception of the agricultural sector, conversion industries, and completing the agricultural sector.

C. Revising and completing the tax laws to establish indirect tax tariffs in the desired and logical way, based solely on the value of the goods.

D. Study to establish new procedures suitable for increasing tax revenues in the nation's tax system.

E. Revising the organizations and procedures for collecting taxes with the goal of modernizing and increasing the efficiency of the tax system and minimizing the time needed to collect the funds, especially with regard to direct taxes.

F. Increasing the resources for gaining revenues by the province organization and expanding the prerogatives of province organizations through the use of specific treasury accounts in the provinces.

G. Guiding revenues derived from oil towards development expenditures.

H. Granting tax exemptions or reductions to infrastructure investments and investments which help with:

- the production of strategic goods
- bringing in foreign exchange
- establishing infrastructure in deprived areas
- creating employment

I. Reducing the direct tax rate and increasing the penalty for refusing to pay direct taxes in such a way that the share of the total direct taxes collected in all tax revenues increases.

3.3) Expense Policies

- Creating logical balance between revenues and expenditures and centralizing budget rows and classifications.

3.3.1) Current Expenses

A. Organizing the budgets of government companies in the framework of the goals of the Second Five-Year Plan.

B. Reducing the current expense budget in the sectors having to do with various economic affairs by reducing the activities implementing government tenure.

C. Creating a logical relationship among the credits of the revenue-producing executive organizations in view of the amount of revenues collected, to increase efficiency and to prevent excessive expansion of their organizations.

D. Transferring part of the government sector service activities in the areas of social services to the nongovernment sector and deregulating the government's financial resources to create the possibility of improving the quality of government services.

E. Specifying government subsidies and aid and the government's revenue transfers in the framework of the government's independent classifications.

F. Reforming the structure of the government to reduce expenditures as much as possible.

G. Spreading the culture of economizing, living simply, and being content in all organizations and bodies.

H. Fighting ostentation and excessive formalities in all administrative areas and in government expenditures.

I. Transferring goods to the people and reducing the size of the government throughout the Five-Year Plan must be done in such a way that the share of the government's budget in GNP is reduced.

3.3.2) Development Expenditures

A. Giving priority to completing partially-complete projects, expediting their operation, and maintaining projects that have been completed.

B. Evaluating and selecting new projects based on economic and technical justifications, with the exception of projects that have special reasons.

C. Giving priority to partially-completed projects that have an economic or technical justification, and expediting their operation.

D. Reforming the executive organization of projects that do not have the ability to

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achieve real progress in accordance with the plan provided because of the lack of appropriate executive organization.

E. Giving attention to the services and production arising from increased profitability when accepting new projects.

F. Designing and implementing a system for selecting and evaluating executive managers in development projects.

G. Completing organization of the utilizing organization for taking possession and taking over operations in order to operate the project in accordance with the Five-Year Plan and at the capacity intended by the design.

H. Revising the laws, regulations, and guidelines pertaining to investment, study, and implementation of development projects in such a way as to facilitate the formation of large consulting engineering and contracting companies and to be sure that the rights and commitments of the two parties to contracts and agreements are logically protected, including—procuring and publishing lists of base prices as an information base and signing specific consultant and contractor contracts in order to do all the work during the designated period without adjusting the contracts.

- Reviving the system of competitive bidding and eliminating the procedure of transferring projects by abandoning the formalities of bidding.

- Compiling rules and regulations to determine the competence of executive, management, consulting, and construction units for carrying out major tasks.

- Requiring government companies, organizations, and municipalities to observe and adhere uniformly to the regulations for development projects.

I. Creating the possibility for the development and participation of planning, consulting, contracting, and industrial manufacturing institutions in industrial projects to ensure the implementation of technical and industrial projects.

J. Compiling and amending rules, regulations, and procedures on assigning work with emphasis on the possibility of competition by domestic consultants and contractors with foreign companies, and when conditions are otherwise equal, giving priority to domestic contractors, workers, experts, and laborers.

K. Using bidding in all foreign agreements, contracts and purchases.

L. Full, comprehensive and continuous supervision over annual development budgets and the budgets of government companies, companies affiliated with the government and municipalities.

4. General Policies

4.1) Reducing the size of the government sector by eliminating some organizations, consolidating government ministries, institutions, and companies and transferring some activities to the private and cooperative sectors.

4.2) Revising the system of management of government companies and changing the existing procedure for making policy and supervising companies through general assemblies and supreme councils, and creating the possibility for more careful monitoring of the performance of government companies.

4.3) Creating the necessary conditions for doing annual audits of government companies and preparing reports.

4.4) Continuing and expediting the transfer of government companies and companies under government control to the private and cooperative sectors.

4.5) Establishing a system of evaluation, grading, and competence determination of the managers of government companies.

4.6) Making all personnel payments by government companies lawful, setting regulations for the use of company facilities and resources by managers and workers, and making payments to managers conform to their efficiency and performance.

4.7) Transferring some transferable public services to municipalities.

4.8) Applying the procedure of finished cost accounting to conserve the public treasury.

4.9) Designing and implementing a system for choosing and evaluating managers.

4.10) Continuing the policy of subsidy payments for basic goods and medicines, to the extent possible making some hidden subsidies public and at the same time reinforcing the social security, insurance, and aid system and establishing and procuring direct aid where necessary.

5. Population

5.1) Increasing the general awareness of the individuals in society of population issues by:

A. Emphasizing education and increasing the awareness of women during the childbearing ages with regard to the benefits of birth control.

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B. Using the media, especially the Voice and Vision Organization of the Islamic Republic of Iran, to increase the level of general awareness of individuals in society of the damage and problems caused by unbridled population growth.

C. Education on population issues in the framework of lesson materials at the secondary school and university levels.

D. Procuring the necessary financial resources, equipment, and manpower to implement a population policy that is appropriate, in view of the fateful role played by population growth in the nation's overall development, in such a way that the population growth target in the Five-Year Plan will be achieved.

5.2) Family Planning and Population Growth:

5.2.1) Procuring and making widely available the means for preventing pregnancy in the nation's geographic regions, especially in the rural and deprived areas.

5.2.2) Obtaining knowledge and conducting studies to use and develop new procedures and technologies to prevent pregnancy.

5.2.3) Allocating some activities in hospitals, treatment centers, and health care centers throughout the country to provide continuous pregnancy prevention services.

5.2.4) Eliminating all laws, regulations, and economic and social benefits that encourage large families.

5.2.5) Performing studies on the justifications for the above policies through:

A. Carrying out scientific studies to obtain information on the level of awareness, views, performance, and problems of families with regard to family planning.

B. Performing studies on the changes in the population growth rate based on current information and sample studies.

C. Conducting applied studies to find suitable methods and technologies to increase the awareness, outlook, and performance of families and solve their problems obtaining the means for preventing pregnancy.

D. Carrying out a current population and work force project to obtain information on how to bring about changes in the nation's population, the labor market, and active and employed manpower in the period 1374-1376 [21 March 1995-20 March 1998].

E. Conducting an annual sampling project on the economic and financial situations of families.

6. Employment and Manpower

6.1) Reinforcing the network for collecting and disseminating labor market information and conducting studies on market movements, classifications, and the standard of skill, and creating ties between education and the qualitative and quantitative needs of the labor market.

6.2) Supporting the creation of employment opportunities through justification and education in appropriate occupational areas.

6.3) Developmenting and supporting small industries, conversion industries, home industries, and occupations, technical services, and developing and reviving handicraft industries, with priority given to rural areas.

6.4) Providing productive employment for surplus tribal manpower in the rural areas and creating suitable conditions for establishing nonagricultural employment in rural areas in order to increase the per-capita income of rural people and create employment opportunities for them.

6.5) Reducing foreign manpower and also creating conditions for sending manpower outside the country.

6.6) Studying and implementing the necessary support laws to identify and reinforce the employment conditions that have technical or economic justifications or cultural importance.

6.7) Organizing the necessary laws, regulations, and guidelines that facilitate and make it possible to move manpower in government organizations and institutions and government and nongovernment companies.

7. Government Sector Personnel Policies

7.1) Making more use of nonfixed committed and capable manpower in the administrative system.

7.2) Returning some government sector activities where it will reduce costs to the cooperative and private sectors.

7.3) Establishing a system of careful evaluation and measurement of efficiency in the administrative system and reducing unnecessary manpower.

7.4) Implementing a system of incentives and punishments to increase efficiency.

7.5) Protecting the wage and salary levels of administrative personnel at various levels.

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7.6) Making efforts to replace the system of wages for time with a system of wages for work.

7.7) Making full use of existing manpower resources and distributing them geographically.

7.8) Eliminating duplicated activities and creating an appropriate system of incentives.

7.9) Spreading and promoting the culture of labor in society in order to increase the level of employment and making use of the work force.

7.10) Adopting appropriate procedures to improve the quality of a work force that is suitable for society's needs.

7.11) Increasing the awareness of workers and managers of the laws and regulations in their specialist areas and improving manpower management procedures.

7.12) Creating restrictions on the employment of the foreign work force by replacing them with a comparable domestic work force.

7.13) Adopting policies that are suitable for creating producing and job-creating units in regions with high unemployment rates.

7.14) Creating, developing, and reinforcing technical and professional education centers and making full use of resources for individuals lacking skills and for those seeking unskilled work.

7.15) Creating the possibility for on-the-job training and technical and professional training by producing units, government organizations, and private and cooperative organizations, using the resources of those units.

7.16) Creating conditions for the education and employment of handicapped people and wounded war veterans that are appropriate for their capabilities.

7.17) Creating more employment opportunities in producing sectors and especially in the deprived areas.

7.18) Creating coordination between the relevant organizations in manpower planning.

8. Pricing

With regard to general goods and services, action will be taken for price reform, in view of the following conditions:

8.1) Making up investment costs by calculating amortization.

8.2) Maximizing economy on current expenses and overhead for the relevant companies.

8.3) Reducing the amount of amortization and making the best and desirable use of existing capacities and resources to the extent of acceptable international norms.

8.4) Giving attention to improving, rebuilding, and making the best use of the nation's production lines.

8.5) The general indicator in this regard will compare prices with the finished cost of production and will adhere to the above considerations.

8.6) Economizing on the consumption of public goods and services based on the consumption model.

8.7) Prices will be progressively reformed in such a way that costs will be collected from high-use consumers and the low-income classes will be supported with low prices.

8.8) The prices of general goods and natural monopolies must not be higher in the deprived and rural areas than they are in the urban areas.

8.9) Coordinating support in price-setting for the producer, the consumer, and exports.

8.10) The Economic Council will be responsible for setting prices, coordinating, and supervising pricing.

[D. 7 Sep 94 pp 24-25]

[FBIS Translated Text] In the two previous issues, the general goals and basic and general policies of the Second Five-Year Economic, Social, and Cultural Development Plan of the Islamic Republic of Iran were printed. In this issue, some of the notes approved will be presented.

Section 4: Notes

Note 1:

As of the year 1374 [21 March 1995-20 March 1996] the government is required to make the annual budget bills conform to the provisions of this law and to present them to the Majles no later than 5 Azar [26 November] each year, in view of the following provisions:

1. In the event that rial revenues are greater than the figures given in Table 1, the government may increase the credits in the various sections, in view of the increased rial revenues, up the ceilings for development cost figures given in Table 5, and may take this increase into account when preparing the annual budget bills.

   Within one month after the Budget Bill is published, the Plan and Budget Organization is required to exchange the relevant letters of agreement and to give them to relevant executive organizations.

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2. In the event that it does not obtain the anticipated revenues, the government is required to reduce the credits in the various sections, observing the priorities in the Second Five-Year Plan, with the exception of the credits in the sections for water and agricultural resources and natural resources.

3. In the event that foreign exchange and rial revenues are received in excess of the figures given in this law's table, the government is required to act as follows:

   A. 50 percent of the foreign exchange and rial revenues will be allocated to repay commitments and debts.

   B. The remaining 50 percent, in view of the priorities enacted in this law, must be used for development expenses and current expenses in annual budget bills, and these uses will be submitted to the Majles for approval.

4. Moving credits between sections is authorized up to a limit of 10 percent, while adhering to the priorities given in the Second Five-Year Plan.

Note 2:

A. To implement the policies of decentralization and increase the role of the provinces in implementing the economic, social, and cultural development plans, the government is required to implement the following in writing the annual budget bills:

   1. The budget for the provinces, including province revenues, each province's share in national revenues and current and development credits, will be presented in a separate supplement along with the Budget Bill.

   2. Current province credits divided according to organization, program, provinces and development credits divided according to section will be included in the aforementioned supplement.

   3. General and allocated national revenues are revenues that are collected according to law and deposited into the general treasury to be spent to implement national projects, pay the current expenses of national executive organizations, make up for likely credit shortfalls in the provinces, and create regional balances.

   4. General and allocated province revenues are revenues that are collected according to law, deposited into a specific province treasury account and spent to pay the costs of local executive organizations and province development credits.

   5. The shares of the provinces from national revenues are deposited into specified province treasuries by the general treasurer.

   6. Current expense province credits will be usable after the exchange of a letter of agreement between the provincial executive organization and the province plan and budget organization.

   7. Each municipality's share of development credits, divided according to section, will be determined by the provincial planning committee. The local executive organization and the provincial plan and budget organization will exchange the letter of agreement on projects that have been approved by the municipal council and that have the necessary justification (the executive organization for each province will be recommended by the provincial plan and budget organization and approved by the governor-general).

B. By the end of the Second Five-Year Plan, gradually, the government is required to remove all projects that have a provincial essence from the list of national projects and provide for them in the provincial budgets.

C. Within six months after the date of this law's approval, the government is required to submit to the Majles a bill on new revenues for each of the provinces.

D. The needed regulations and procedures for implementing this note will be given in the annual budget laws.

Note 3:

The composition of the Money and Credit Council is amended as follows:

1. Minister of economic and financial affairs
2. Chief of the Plan and Budget Organization
3. Chief of the Central Bank of the Islamic Republic of Iran
4. and 5. Two ministers selected by the council of ministers
6. The national general prosecutor or his deputy
7. A banking expert chosen by the president of the republic
8. The chief of the Chamber of Commerce, Mines, and Industries
9. The chief of the Chamber of Cooperatives

Two Majles deputies chosen by the Majles will attend the council's meetings as observers.

Note 4:

A. The policy of paying subsidies on basic goods, medicines, and dried milk will continue in the Second Five-Year Plan, and the government is required during this plan to pay subsidies on medicine, dried milk, basic goods including wheat, vegetable shortening, sugar, sugar cubes, and cheese, based on the foreign exchange credits enacted in the year 1372 [21 March 1993-20 March 1994].

B. To economize on oil products and achieve social justice in the Second Five-Year Plan, the price of oil products will increase and the effects caused will be compensated as required.

C. Progressive rates on tariffs for water, electrical power. and gas will be applied in such a way that while increasing the average price, the cost to low-use subscribers will remain fixed.

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Note 5:

A. To help achieve social justice, reduce poverty and deprivation, create employment, and support small economic foundations, the government is required to provide the necessary supports in implementation of Articles 43 and 44 of the Constitution, to create a balance between the shares allocated to the government, cooperative, and private sectors in the nation's economy, to increase the share of cooperative sector economic activities and also to implement job-creating projects (self-employing) through the payment of low-cost banking.

B. To guide banking system credits toward special activities, the government is authorized to pay the banking system through the relevant organization part of the profit on the credit granted based on the priorities in each sector, using funds taken from the general budget.

C. The government is required to make all the funds deposited by the people into the interest-free loan fund available to applicants for interest-free loans, after deducting the legal reserve amount.

The Money and Credit Council is required to set the legal reserve requirement on interest-free loan savings deposits at a level that the total legal and precautionary reserves in the banks from deposits of this type do not exceed 25 percent of the volume of these kinds of deposits.

The operational costs of obtaining deposits and granting interest-free means and paid prizes will be paid by the one receiving interest-free means up to a maximum of four percent.

The Money and Credit Council is required to prepare the executive guidelines for granting interest-free means and submit them to the Council of Ministers for approval.

Note 6:

A. Agreements for implementation of development projects will be exchanged only one time during the Five-Year Plan.

B. Letters of agreement for implementing new development projects will be authorized only after the following phases have been completed:

- Studies on the technical, economic and social justifications
- Executive studies and design
- Studies to find a site for the project in order to reduce costs

The executive guidelines for this note will be recommended by the Plan and Budget Organization and approved by the Council of Ministers and will go into effect with the beginning of the Second Five-Year Plan.

Purely military development projects in the defense sector are exempt from the provisions of this paragraph.

Note 7:

To create the necessary conditions for the purpose of:

1. Clarifying subsidies on customs levies and commercial profits
2. Organizing pricing in order to bring about the possibility for supervision and control
3. Raising the competitive ability of domestic products against imports,

The following will be implemented:

A. All discounts, preferences, and exemptions are voided on customs levies and commercial profits given to government ministries, organizations, and institutions; revolutionary bodies and companies subject to the law, whose names must be mentioned, including the Voice and Vision Organization of the Islamic Republic of Iran, the Iran National Oil Company and other companies affiliated with the Iran National Oil Company, the Iran National Gas Company, the Iran National Petrochemical Company and other affiliated companies, the Iran Industries Development and New Construction Company, the Iran National Industries Organization and their affiliated and attached companies, the water and sewage companies, and the centers for the procurement and distribution of goods, except in the following instances:

Exemptions which are based on international conventions and the preferences and exemptions established in bilateral, multilateral, and international trade agreements.

The government is authorized to provide the credits needed to meet all or part of the costs arising from the elimination of customs exemptions and commercial profits for ministries, government institutions, and companies arising from this note in connection with those imports that are done out of the government's general budget as a lump expenditure in the annual budget bills.

B. Customs tariffs will be set by the Majles, and commercial profits taxes will be set by the government in such a way as to protect domestic producers for the purpose of achieving self-sufficiency and economic growth and creating conditions favoring export growth in every area.

The continuation of these supports is contingent upon some of the profits obtained in each producing field being spent based on the programs of the relevant organizations to implement the new investment programs, transferring and improving technology, and modernizing the production cycles in the same units.

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To provide logical support for domestic agricultural and animal husbandry products, the tariff and commercial profits rates will be designated in such a way that the finished price of imported crops will be no less than the guaranteed price for comparable domestic crops, and with regard to agricultural crops for which the government has not announced a guaranteed prices, the rates will be set in such a way that the domestic producers of crops will not be damaged by the imports.

C. The Law on Procedures for Calculating and Collecting Customs Levies, Commercial Profits Taxes, and Taxes on Various Types of Imported and Domestically Made Vehicles and Road-building Machinery and Their Parts, enacted 10/2/1371 [24 December 1992] by the Majles, will remain in force.

The executive guidelines for this note will be prepared by the Ministry of Commerce and the Ministry of Economic Affairs and Finance and will be approved by the Council of Ministers.

Note 8:

A. The Central Bank of the Islamic Republic of Iran is authorized, during the period of the Five-Year Plan, to pay or create commitments out of foreign exchange revenues up to a maximum of [sum left blank] in the framework of the figures given in Table [figure left blank] in the supplement to this law.

The Central Bank of the Islamic Republic of Iran is required to provide an annual foreign exchange fund sum equivalent to the figures in the aforementioned table.

B. The creation of new debt and foreign commitments such as buy-back guarantees, financing, and the like is authorized solely within the framework of the implementation of this note, and their repayment schedule must be so arranged that the payments arising from these debts in each year following the final year of the Five-Year Plan will not exceed 30 percent of the government's foreign exchange revenues in the final year of the Second Five-Year Plan.

C. The government is required, in the framework of the policies given in this law, to organize a repayment schedule for commitments in such a way that the payments on the principal and interest on these debts will be reduced by at least 5 percent per year, and in any case the value of all the nation's debts and commitments, including short-term, mid-term and long-term, will be no greater than $25 billion by the last year of the Five-Year Plan.

D. All government ministries, institutions, and companies; all their affiliate organizations and companies, and the institutions and companies whose names must be mentioned according to the law such as the Iran National Oil Company, the Iran Communications Company, the Islamic Republic of Iran Airline Company; and also the public institutions and bodies mentioned in the note below Article 5 of the Public Accounting Law (including the 15 Khordad Foundation, the Housing Foundation, the Imam's Aid Committee, the Red Crescent, the Social Security Organization, the Supreme Cultural Revolution Council, and their affiliated institutions and companies) are subject to this law.

E. In the framework of this law's policies and regulations, foreign investors may, with participation on the Iranian side, invest in the economic sectors. Within three months of this law's approval, the government must prepare the bills and regulations pertaining to foreign investment for passage through the legal steps and submission to the Majles.

F. To implement infrastructure and investment projects, and to increase the nation's production and export capacities within the limitations of the approved projects and within the regulations given in this law, the government is authorized to obtain or to guarantee no-cost financing or credit from foreign and international financial institutions, and it may also facilitate reciprocal sales transactions between the two relevant parties through the nation's banking system.

The government or private companies must have the skill to do reciprocal sales transactions. In the framework of reciprocal sales contracts, the value of the raw materials, the intermediate goods, the machinery, and the imported needed services must be matched by exports of the manufactured goods mentioned in each contract.

The acting insurance companies and banks are required, where necessary, to achieve these kinds of transactions in return for sufficient deposits (including company assets, imported goods, manufactured goods, shares from the aforementioned companies, or other assets from the Iranian side in the interest of the foreign side in return for an adequate guarantee by the foreign side to export the manufactured goods).

In the event of non payment of the rial equivalent of the payments due for the foreign exchange commitments created by the government companies and companies affiliated with the government, the municipalities and other government organizations, whose foreign exchange commitments the Central Bank guaranteed, must give the Ministry of Economic and Financial Affairs authorization to withdraw the equivalent amount in rials directly from their bank accounts.

G. The minister of economic and financial affairs is required every four months to present a report on this note's performance and the situation with the nation's revenues, costs, and foreign exchange commitments to the relevant Majles commissions.

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H. The Central Bank of the Islamic Republic of Iran is required to make foreign exchange payments coming from the government's general budget to the organizations covered by this note only in exchange for receipt of positive documents and evidence of the purchase of a service or item of merchandise. In cases where the essence of the expenditure does not permit the submission of documents before the commitment or the payment is made, the relevant organization is required to submit the documents and evidence needed to the bank no more than three months after the date the payment or commitment is made.

I. All organizations subject to this note are required to carry out and conclude any foreign transactions or contracts involving more than $1 million solely through limited or international competitive bidding (with the posting of an announcement of the bidding in high-circulation domestic and foreign newspapers).

Exceptions must be approved by the Economic Council. The Central Bank of the Islamic Republic of Iran is authorized to make commitments or payments only on transactions or contracts for which the executive organizations have submitted the necessary documents in adherence to the provisions of this paragraph.

J. To develop domestic production and eliminate the need for foreign suppliers of major consumer items, the government is required to provide the necessary supports in domestic purchases to increase annual production. It must do this in such a way that the total foreign exchange allocated to procure basic goods, medicine, and other necessary items per year will decrease by a minimum of [figure left blank] by the last year of the Five-Year Plan compared to the first year of the Five-Year Plan.

K. All ministries, organizations, government institutions, Islamic revolutionary bodies, and companies whose names must be mentioned according to the law or which have their own special laws are required to meet their needs with domestic products, and if domestic products are unavailable, they must procure their goods domestically, and they must conduct international bidding at least on their major purchases.

Note 9:

For the purpose of public participation in the nation's administrative and executive system and to reduce the amount of government involvement, during the Five-Year Plan those monopolies, which are established by laws and regulations and whose elimination does not undermine the government's sovereignty will be eliminated as recommended by the National Administrative and Employment Affairs Organization, with the cooperation of the relevant organization and with the approval of the relevant authorities.

Note 10:

To reform the administrative system's organization, systems, and procedures, and its personnel management and regulations, the National Resource Administrative Council will be formed with the following competence and prerogatives:

A. Members:

- President of the republic (chief of the council) or his deputy
- Chief of the Plan and Budget Organization
- Four ministers (preferably from different sectors) chosen by the council of ministers
- Three experts and specialists on administrative affairs chosen by the president of the republic
- The relevant minister
- The secretary general of the National Administrative and Employment Affairs Organization (council secretary and the person responsible for proper implementation of the measures enacted).
- Two Majles deputies chosen by the Majles will attend as observers

B. Responsibilities:

- Reform the organizational structure of the nation's executive organizations, with the exception of the ministries, through consolidating, dissolving, and transferring institutions and organizations outside the center.
- Transferring transferable responsibilities, affairs, and activities in executive organizations to the nongovernment sector.
- Consolidating province and municipal units affiliated with any one ministry into single organizational units.
- Studying, revising, and making decisions on continued activities and consolidating and dissolving government companies and their satellite and affiliate companies.
- Making the prerogatives of governors-general and governors appropriate for the responsibilities assigned to them in the provinces, designating the procedures for their relationship with central government officials, designating the procedures for supervising the performance of local officials, and determining how to dismiss and appoint them.
- Approving the necessary regulations and criteria to optimize the structure, makeup, and distribution of manpower in the government sector.
- Approving the necessary projects to improve the efficiency and management of executive organizations.
- Approving the regulations and guidelines for determining the responsibilities of manpower in organizations which based on measures approved by the

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Supreme Administrative Council have been consolidated, dissolved, transferred, or whose responsibilities have been transferred to other organizations.

- Amending and approving basic and comprehensive specialist, common, and general procedures to be implemented by the nation's executive organizations.
- Determining the responsibilities of the governors-general and governors and the procedure for appointing and dismissing them, and also the nature of their relationships with the officials in executive organizations.
- Making the necessary revisions of the responsibilities and structure of the government ministries, organizations, and companies and their satellite companies by transferring, dissolving and consolidating them, for the purpose of eliminating duplicate, similar, and repetitive responsibilities and creating coordinated organizations.
- Approving regulations for supervising the proper utilization of administrative space and for expanding, buying, and renting government buildings for administrative uses.
- Designating and announcing the organizations that will carry out programs in sectors having to do with government activities in the area of the administrative and executive system in the dimensions of organization and structure, management and manpower, systems, procedures, laws and regulations.

Note 11:

To attract more participation by the cooperative and private sectors in general affairs, social services, production, employment, trade, research, maintenance, and utilization of infrastructure and general installations, the government is required, adhering to the public interest, to transfer the aforementioned activities in the government sectors to the private and cooperative sectors. In order to make these sectors active, it must take measures such as amending regulations, providing banking, completing infrastructure investments, developing and facilitating relations, and also promoting industrial, research, and contracting formations and structures.

The list of activities, measures, and executive guidelines for this note will be prepared by the Plan and Budget Organization, the Ministry of Economic Affairs and Finance, and the relevant organizations within three months and will be approved by the Council of Ministers.

Note 12:

To expedite the transfer of government organizations, the government is required to act as follows:

A. The stages for preparing companies that can be transferred include: accounting, breaking up the company where necessary, and during the acceptance phases with regard to companies that will be sold on the stock market, eliminating the legal problems and other issues during the first year of the Five-Year Plan, in such a way that they will be completed and the transfer of these companies will be facilitated at least by the end of the Second Five-Year Plan.

B. The names of the units that can be transferred and the conditions for their transfer will be made known to the public by media such as the Voice and Vision Organization and high-circulation newspapers. The relevant officials are required to so organize affairs pertaining to the transfer of shares that equal and similar opportunities will be available to all individuals.

C. Transferable units will be transferred only to real persons or to companies are formed by non-government legal entities (private or cooperatives), through competitive bidding or the stock market.

D. The Ministry of Economic and Financial Affairs is required by the end of the month of Esfand each year [19 March] to submit a written report to the Majles giving the information pertaining to the year's transfer activities including: a list of the name of the companies, the price, terms of sale and the names of the buyers of each one.

E. The resources obtained through the transfers mentioned in this note will be deposited in the General Treasury in the general revenues account, and the revenues obtained will be spent to carry out the partially-completed projects that will be recommended each year in the budget bill by the government.

F. To achieve proper implementation of this note and to create the necessary conditions for marketing the shares and provided for public participation in the work and also to coordinate, organize, make policy and supervise the transfer of government companies to the people, a council with the following composition will be formed, supervised by the president of the republic:

1. President of the republic, as chief of the council
2. The minister of economic and financial affairs
3. The chief of the Plan and Budget Organization
4. The chief of the Central Bank of the Islamic Republic of Iran
5. One of the industrial ministers chosen by the Council of Ministers
6. Two relevant experts chosen by the Council of Ministers

Two Majles deputies chosen by the Majles will attend this council's meetings as observers.

The council's secretariat will be located in the Ministry of Economic and Financial Affairs.

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G. In the transfer of the units mentioned in this note, priority will go to those who have sacrificed, and this may be done through negotiations.

H. The executive guidelines for this note will be recommended jointly by the Plan and Budget Organization and the Ministry of Economic and Financial Affairs, and will be approved by the Council of Ministers.

Note 13:

During the Second Five-Year Plan the government is required to define the ownership status of lands allotted to farmers based on the nation's laws, assigning them to those holding the allotments or their heirs. All the existing limitations during the transaction and the rental of agricultural lands are void, and the agricultural applications will be retained.

Likewise the boundaries for natural resources will be compiled in accordance with specific maps. For the purpose of preventing land transactions with natural resources in the nation's various provinces, the aforementioned maps will be given to the municipal document and deeds registry offices. The implementation of this note must be done in compliance with the following provisions:

1. Transactions must not lead to changing the agricultural application of lands.
2. Transactions must not lead to violations of the ownership boundaries designated by the Ministry of Agriculture.
3. Any kind of conversion or division of lands that are agricultural or have agricultural or orchard applications outside the legal limits of the cities will be done based on guidelines to be recommended by the Ministry of Agriculture and approved by the Council of Ministers.

Note 14:

A. To establish a desirable system of national divisions, to stabilize it logically and permanently, to distribute the nation's population regionally in such a way that the necessary coordination is achieved with all development activities, to order the composition of the population, the government is required to prepare a comprehensive national divisions plan.

B. To create public order and a work ethic, to apply indirect methods to implement and adhere to law and social order, and to prevent crime, the government is required to prepare and implement a plan for universal public education.

Note 15:

To achieve greater coordination among agricultural sector executive organizations, to advance affairs and alleviate problems, and to supervise proper implementation of the relevant policies in view of the fact that the focus of the nation's economic development in this Five-Year Plan is the agricultural sector, the Supreme Agricultural Council, chaired by the president of the republic or his deputy and with a membership of the minister of economic affairs and finance, the minister of agriculture, the minister of the reconstruction crusade, the minister of energy, the chief of the Plan and Budget Organization, the chief of the Central Bank, and two observers from the Majles chosen by the Majles, will meet once a month. Other ministers will also be invited according to the case and will have the right to vote in that specific case. The province and municipal agricultural councils will be formed according to regulations specified by the supreme council.

Note 16:

A. In view of the crucial role of the agricultural water and natural resources sectors for national development goals and national economic independence, the government is required to take the necessary steps.

B. Throughout the period of the plan, if it is determined to be necessary to implement new projects or to increase the volume of activities for proposed projects to advance the goals of the water and agricultural sector programs, especially in the areas of water, soil, infrastructure, natural resources, and employment in the area of rural industries, according to the case and based on the recommendations of the Ministry of Agriculture, the Ministry of the Construction Jihad and the Ministry of Energy, and with the approval of the Plan and Budget Organization, the government may obtain the needed budget from the nation's total unused development credits.

Note 17:

To maintain the focus on water and agriculture throughout the Second Five-Year Development Plan, the government is required, in implementing the established policies and directions, to act in such a way that:

A. Priority is given to procuring credits for the water and agricultural sectors.

B. Self-sufficiency is achieved as much as possible in the procurement of the food and animal products the nation needs by the last year of the Five-Year Plan.

Note 18:

To preserve, revive, develop and make real use of natural resources, the government is required to take the following steps:

A. To procure the fuel needed by the tribes within a five-kilometer radius, at the nation's official prices.

B. Requiring those using national resources to restore them.

C. Organizing the removal of livestock from forests and rounding up people who live in the forests.

D. Assigning some police forces to protecting the nation's forests and pastures, and training and equipping them.

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Note 19:

To make student free time fruitful and to elevate the nation's young generation, the government is required to provide the following resources:

A. The necessary facilities such as five-year tax exemptions (eight years for the deprived areas), payment of some of the profits on banking and other such things for the private and cooperative sectors for the procurement and development of societies, academic, educational, religious, cultural, artistic, television, cinema, and (workplace) experimental centers and sports centers for young people and students.

B. Expanding and improving the coverage of the Voice and Visage Organization, developing written, audio, and visual media, buying suitable foreign broadcast concessions, and increasing the quantity and improving the quality of radio programming in such a way that the appeal of the foreign culture to youth will be minimized.

C. Creating the necessary means for academic, religious, cultural, and recreational outings for youth and students and developing camping spaces for cultural and training societies.

D. Presenting suitable models and making models in various academic, religious, cultural, and sports areas for youth and adolescents to attract them to their own culture.

E. Creating the means needed to employ young people.

F. Providing suitable banking and loans and interest-free loans to create conditions that make it possible for young people to marry.

G. Providing the means needed for the period of military service of married young people.

H. Giving priority to married young people in hiring and job seeking.

I. Providing consulting services in the various individual and social areas of the lives of students and young people.

J. Creating the necessary means to procure low-cost housing for young married people.

K. Centralizing and organizing the information, statistics and research system pertaining to young people.

L. Developing and equipping mosque cultural and artistic societies.

Note 20:

In order to play an active role in the world's cultural and news organizations, the government must make the necessary provisions in the annual budgets so that the following goals are achieved:

A. Reviving and developing university chairs in Islamic science and in Persian language and literature and reinforcing the world's reputable libraries with the relevant books.

B. Developing programs for teaching Persian language and literature and cultural programs for Iranian families outside the country.

C. Creating relations with religious, academic, and cultural centers outside the country and creating exchanges and talks with various religious scholars and learned people.

D. Increasing cultural exchanges and support for activities in the nongovernment sector for marketing the cultural products of the Islamic Republic of Iran throughout the world, especially in the Islamic nations and the Third World.

E. Developing relations with regional and international independent and effect news agencies and making use of satellite channels to reach audiences in other countries, and sending propagandists.

F. Making efforts to create international Islamic radio and television networks, to develop and improve coverage by the Voice and Vision Organization's networks beyond Iran's borders; developing programs to teach Persian language and literature and cultural programs for Iranian families and other audiences outside the country.

G. Developing translations of the Koran and reputable Islamic texts into the world's living languages.

Commentary Reminds Deputies of Attendance Duties

[Article by Abol-Qasem Shah-Morteza]

95LA0010A Tehran KEYHAN-E HAVA'I in Persian 17 Aug 94 p 8

[FBIS Translated Text] News Service—At times, because of the sensitivity and importance of the issues it is studying, the Majles, which has the critical responsibility of making laws and supervising the proper implementation of legislation, needs the care and attention of all the deputies for approving the necessary laws and bills.

For example, during one Majles session, giving a vote of confidence on the Council of Ministers, approving the nation's annual budget or the agenda at the last Majles session (discussing and studying the Second Five-Year Plan), because of its fateful nature, requires more attention.

For this reason, the respected Majles deputies gave the job of evaluating the Second Five-Year Plan to a special commission called the Compound Commission composed of deputies from various commissions, and after doing careful expert work on it, the Second Five-Year Plan was presented at the public Majles session. The respected deputies, in addition to the preliminary work that was done in the Compound Commission, approved

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the general form and some of the details of the Five-Year Plan in the first consultation, and the remaining issues will be discussed in the second consultation.

All of this care and attention was of course appropriate for the Second Five-Year Plan and nothing other than this was expected from the nation's representatives. All the deputies who in some way worked to make the Second Five-Year Plan more precise must be praised and thanked.

It is worth mentioning that the care the deputies have applied in this regard was unexpected. According to reports published in the media, when the vote was taken on the Second Five-Year Plan Bill, there were 200 deputies present at the session, and the supporters voted for it by standing. After the vote was taken it was announced that the general form of the nation's Second Five-Year Plan bill was approved by a decisive vote of the deputies.

According to the Constitution and the Majles Internal Guidelines, the Majles needs two-thirds (180) of the deputies in attendance for a quorum, and if a majority of the deputies present at the session vote in favor of a bill or proposal and if the respected Guardian Council approves it, the legislation becomes law. The same procedure was followed when the general form of the Second Five-Year Plan was approved, and there is no doubt of any kind from a legal point of view in this regard. However, the importance of the Second Five-Year Plan demands that more concern be given to it when it is considered in the open session, just as nation's respected deputies evaluated the plan carefully when it was presented in the Compound Commission.

According to published reports, when the general form of the Second Five-Year Plan was approved, more than 60 deputies were not present in the open Majles session, and when some of the Second Five-Year Plan's notes were approved in the first consultation, there were fewer than 200 deputies present at the session. The question here is, why should about one-fourth of the deputies be absent from the open Majles session at such a fateful time, when the most important issue of an entire Majles term is being discussed and studied?

It is natural that a handful of the respected deputies would be unable to attend the open session at every point in the work of the Majles because of essential and unexpected matters, but it is clear that the number of deputies who are involved with such matters should not be a large figure. The real issue pertains to the rest of the deputies who did not attend the Majles open session when the first consultation on the Second Five-Year Plan was held.

The following justifications might be offered for the nonattendance of the open session by these few deputies: Going on leave of absence, visiting electoral districts, participation in introductory meetings with the governor general, accompanying an official on a trip to various provinces and participation on councils whose meetings according to law one or several deputies must attend as observers. If these events occur during normal Majles proceedings, this is justifiable to some extent, but during study of the fateful Second Five-Year Plan Bill, they can easily be put aside.

We know that the Majles Internal Guidelines were amended with regard to open sessions so that during a month, the Majles will have three weeks of open sessions, and the open sessions will be closed during one week so the deputies can easily attend to their other lawful responsibilities. It is quite clear that the reform of the domestic guidelines with regard to open sessions had to do with the ordinary course of Majles business, and that important issues such as the Second Five-Year Plan demand more serious concern from the Majles deputies.

In conclusion, two essential points will be noted:

1. Because of the sensitivity and importance of the Second Five-Year Plan, it was necessary, for the approval of its general form, that votes be taken by paper ballot so that the public, the experts and the planners of the Second Five-Year Plan would have exact information about the respected Majles deputies voting for and against it.
2. If there is an obstacle to all the Majles deputies attending at such times (other than exceptions) in terms of its domestic guidelines, it is necessary that the respected Majles revise its internal guidelines so that at least at these sensitive times the deputies will give more logical justifications for failing to attend the open sessions.

It is hoped that the nation's elected representatives will make a more serious effort to attend the open Majles sessions for the second consultation of the Second Five-Year Plan.

Thousands of Housing Units To Be Constructed

95LA0010B Tehran KEYHAN-E HAVA'I in Persian 7 Sep 94 p 11

[FBIS Translated Text] Tehran, (IRNA) 7 Shahrivar [29 August]—The minister of cooperatives emphasized the need for the Majles to determine in the Second Five-Year Social, Economic and Cultural Development Plan the share of the cooperative sector in the nation's general economy.

Engineer Gholamreza Shafe'i, speaking at a national seminar of province cooperative managers at the Ministry of Cooperatives exhibition site at the permanent site of the Tehran International Exposition, added: To do proper planning and to provide resources in the budget laws for the coming years to create balance in the nation's economy, it is necessary for the Majles to specify the shares of each sector, the government sector, the cooperative sector and the private sector in the Second Five-Year Economic Development Plan.

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He said: The share of the cooperative sector in the area of housing construction has been set at 25 percent of the credits for the housing sector in the Second Five-Year Development Plan, and during the plan 412,000 cooperative housing units will be built. The cooperative sector's share in the Second Five-Year Plan is also clear to some extent in the industry, mines, foreign commerce and distribution sectors, and the cooperative sector's shares must also be specified in the other sectors.

Engineer Shafe'i said: The remaining 6 million tumans of the 500 billion rials [R] in cooperative sector credits for the 1373 [21 March 1994-20 March 1995] Budget Bill will be divided for implementation of cooperative projects among the general province cooperative offices, after a study of their performance.

He said: Of the cooperative sector credits from Note 4 of the current year's Budget Law, R50 billion was allocated to carpet cooperatives and R10.9 billion was allocated to agricultural cooperatives.

Elsewhere in his talk, the minister of cooperatives criticized the presence of government managers in cooperatives such as rural cooperatives and carpet cooperatives. He regarded paying the wages of their staff out of the government's budget as illegal. He said: No one has the right to compromise implementation of the law.

Engineer Shafe'i said: No kind of means is given by the Ministry of Cooperatives to cooperatives who have not made their charters conform to the Cooperative Sector Law.

He also announced: To enable the housing cooperatives to answer the demands of their members, the membership fee for housing cooperatives has been increased to R200,000, and it will also be increased in the future.

Engineer Shafe'i said: With the cooperation of the Physical Training Organization, sports cooperatives can be created and these cooperatives, in addition to the creation of sports centers, can buy shares from the sports centers that are transferred by the Physical Training Organization.

At this meeting 'Abbas Khajehpiri, executive director of the cooperative fund, also gave a speech. He discussed the fact that the cooperative fund is a government credit institution that provides means to the cooperatives. Noting that this fund's main problem is the shortage of capital, he said: Unfinished matters are also among the serious obstacles to spreading the work of the fund for the granting of means to applicants.

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